



# Quarterly Banking Profile

Third Quarter 2009

## INSURED INSTITUTION PERFORMANCE

- ***Industry Posts Net Profit of \$2.8 Billion***
- ***Increased Revenues, Lower Securities Losses Offset Higher Loan-Loss Provisions***
- ***Net Interest Margins Improve at Most Institutions***
- ***Troubled Loans Continue to Rise, But Rate of Growth Slows***
- ***Loan Balances Decline by 2.8 Percent in the Quarter***

### Earnings Register Modest Improvement

Rising loan-loss provisions continued to dominate industry results, but growth in operating revenues, combined with appreciation in securities values, helped the industry post an aggregate net profit. Insured institutions earned \$2.8 billion in net income in the third quarter of 2009, more than three times the \$879 million they earned a year earlier and an improvement over the \$4.3 billion net loss posted in the second quarter of 2009. Growth in net interest income, lower realized losses on securities and other assets, higher noninterest income, and lower noninterest expenses, all contributed to the year-over-year increase in net income. Only 43 percent of all institutions reported higher quarterly earnings compared to a year ago, but this is the highest proportion reporting improved earnings in the past six quarters. More than one in four institutions (26.5 percent) was unprofitable in the third quarter, up slightly from 24.6 percent a year ago.

### Net Interest Margin Rises to Four-Year High

Net interest income was \$4.6 billion (4.8 percent) higher than in the third quarter of 2008. The average net interest margin (NIM) in the third quarter was 3.51 percent, the highest quarterly average since the third quarter of 2005. Almost two-thirds of all institutions (62.1 percent) reported higher NIMs than in the second quarter, but only 42.2 percent registered year-over-year NIM improvement. Realized losses on securities and other assets totaled \$4.1 billion, which was \$3.8 billion less than the \$7.9 billion in losses the industry experienced a year earlier. Noninterest income was \$4.0 billion (6.8 percent) higher, as net gains on loan sales were up by \$2.7 billion and servicing fees rose by \$1.9 billion (45.8 percent). Total noninterest expense was \$1.6 billion (1.7 percent) below the level of a year earlier, the first time since the fourth quarter of 2006 that the industry has experienced a year-over-year decline in quarterly noninterest expense. Lower expenses for goodwill impairment and other intangible asset charges (down \$1.2 billion, or 23.7 percent) were chiefly responsible for the decline in total noninterest expenses, but expenses for premises and fixed assets were lower as well, falling by \$230 million (2.0 percent).

### Loss Provisions Surpass \$60 Billion for Fourth Quarter in a Row

Provisions for loan and lease losses totaled \$62.5 billion, marking the fourth consecutive quarter that industry provisions have exceeded \$60 billion. The third quarter total was \$11.3 billion (22.2 percent) higher than a year earlier, but it was \$4.8 billion (7.1 percent) less than the amount that insured institutions set aside in the second quarter. It was also the smallest year-over-year increase in quarterly loss provisions in the past eight quarters. Almost two out of three institutions (62.6 percent) increased their loss provisions over year-earlier levels.

### Loan Losses Remain High

Net charge-offs continued to rise, registering a year-over-year increase for an 11th consecutive quarter. Insured institutions charged off \$50.8 billion (net) in the quarter, an increase of \$22.6 billion (80.5 percent) compared to the third quarter of 2008. Net charge-offs were higher, year-over-year, at 60 percent of insured institutions. The annualized net charge-off rate rose to 2.71 percent, from 1.43 percent a year earlier and 2.56 percent in the second quarter. This is the highest annualized net charge-off rate in any quarter since insured institutions began reporting quarterly income and expenses in 1984, and it marks the third time in the past four quarters that the net charge-off rate has reached a new high. The year-over-year increase in charge-offs was led by loans to commercial and industrial (C&I) borrowers, but all major loan categories had sizable increases

in charge-offs. Net charge-offs of C&I loans were \$4.6 billion (117.5 percent) higher than a year ago. Charge-offs of credit card loans were \$4.4 billion (78.2 percent) higher, residential mortgage charge-offs were up by \$3.7 billion (63.4 percent), charge-offs of real estate construction and development (C&D) loans rose by \$3.1 billion (68.1 percent), and charge-offs of home equity lines of credit were \$2.2 billion (78.4 percent) higher.

## **Growth in Noncurrent Loans Slows**

The amount of loans that were noncurrent (90 days or more past due or in nonaccrual status) also continued to rise. Noncurrent loans and leases increased by \$34.7 billion (10.5 percent) in the third quarter, to \$366.6 billion, or 4.94 percent of all loans and leases, the highest noncurrent rate registered in the 26 years that insured institutions have reported noncurrent loan data. Noncurrent residential mortgage loans increased by \$19.0 billion (13.9 percent), noncurrent C&I loans rose by \$7.3 billion (19.2 percent), and noncurrent real estate loans secured by nonfarm nonresidential real estate properties increased by \$5.7 billion (18.2 percent). The increase in noncurrent loans was the smallest in the past four quarters, as the rate of growth in noncurrent loans slowed for the second quarter in a row.

## **Reserve Coverage Continues to Erode**

In the face of the persistent rise in troubled loans, insured institutions continued to build their loan-loss reserves. The industry set aside \$11.7 billion more in loan-loss provisions than it charged off in the third quarter, contributing to a \$9.2 billion (4.4 percent) increase in total reserves. This was the smallest quarterly increase in reserves in the past eight quarters, but it lifted the industry's ratio of reserves to total loans and leases from 2.77 percent to 2.97 percent. However, growth in reserves continued to lag the rise in noncurrent loans, and the industry's ratio of reserves to noncurrent loans declined for a 14th consecutive quarter, from 63.6 percent to 60.1 percent.

## **Rising Securities Values Boost Equity Capital**

The industry's total bank equity capital (excluding minority interests in consolidated subsidiaries) increased by \$40.2 billion (2.9 percent) in the third quarter. Most of the increase was a result of appreciation in the values of securities and other investments. Accumulated other comprehensive income, which includes unrealized gains and losses on securities held for sale, increased by \$30.5 billion during the quarter. Tier 1 leverage capital, which does not include other comprehensive income, increased by \$15.6 billion (1.4 percent). The industry's equity to assets ratio increased from 10.55 percent to 10.90 percent during the quarter. The average regulatory capital ratios for the industry (tier 1 leverage ratio, tier 1 risk-based capital ratio, and total risk-based capital ratio) all improved during the quarter as well, and are now at their highest levels in the 19 years since current risk-based capital standards were enacted.

## **Quarterly Decline in Loan Balances Is Largest on Record**

Total assets of insured institutions fell for a third consecutive quarter. The \$54.3 billion (0.4 percent) decline followed a \$237.9 billion decrease in industry assets in the second quarter and a \$303.2 billion drop in the first quarter. The decline in assets was led by falling loan balances. Total loan and lease balances declined by \$210.4 billion (2.8 percent) during the quarter. This is the largest percentage decline in loan balances in any quarter since insured institutions began reporting quarterly results in 1984. C&I loans fell by \$89.1 billion (6.5 percent), residential mortgage loan balances declined by \$83.7 billion (4.2 percent), and real estate C&D loans dropped by \$43.6 billion (8.1 percent). The reduction in loan balances was partially offset by increased balances at Federal Reserve banks (up by \$142.4 billion, or 36.7 percent) and by a \$59.7 billion (2.6 percent) increase in securities. Banks increased their holdings of U.S. Treasury securities by \$28.6 billion (49.3 percent) during the quarter. Much of the increase in other securities balances reflected higher market values for available-for-sale securities.

## **Reliance on Deposit Funding Increases**

Total deposits increased by \$79.8 billion (0.9 percent), as insured institutions continued to reduce their reliance on nondeposit funding sources. Deposits in domestic offices fell by \$2.0 billion, with non-interest-bearing deposits registering a \$17.7 billion (1.2 percent) decline. Deposits in foreign offices increased by \$81.9 billion (5.6 percent), following a \$51.0 billion increase in the second quarter. Nondeposit liabilities declined by \$176.1 billion (6.2 percent), including a \$59 billion (9.3 percent) decline in Federal Home Loan Bank borrowings and an \$86.6 billion (23.8 percent) decline in other short-term borrowings by Call reporters. At the

end of September, deposits funded 68.7 percent of total industry assets, the highest proportion since June 30, 1997.

### **Only Three New Charters Were Added in the Third Quarter**

The number of insured institutions reporting financial results fell to 8,099 in the third quarter, from 8,195 in the second quarter. Forty-seven institutions were absorbed by mergers during the quarter, while 50 institutions failed. This is the largest number of failures in a quarter since the fourth quarter of 1992, when 55 insured institutions failed. Only three insured institutions were chartered in the quarter, the smallest quarterly total since World War II. The number of insured institutions on the FDIC's "Problem List" rose from 416 to 552 during the quarter, and total assets of "problem" institutions increased from \$299.8 billion to \$345.9 billion. Both the number and assets of "problem" institutions are now at the highest level since the end of 1993.

# Quarterly Banking Profile

**TABLE I-A. Selected Indicators, All FDIC-Insured Institutions\***

|  | 2009** | 2008** | 2008   | 2007   | 2006  | 2005  | 2004  |
|--|--------|--------|--------|--------|-------|-------|-------|
| Return on assets (%) .....                         | 0.10   | 0.32   | 0.04   | 0.81   | 1.28  | 1.28  | 1.28  |
| Return on equity (%) .....                         | 0.93   | 3.26   | 0.36   | 7.75   | 12.30 | 12.43 | 13.20 |
| Core capital (leverage) ratio (%) .....            | 8.54   | 7.81   | 7.47   | 7.97   | 8.22  | 8.25  | 8.11  |
| Noncurrent assets plus                             |        |        |        |        |       |       |       |
| other real estate owned to assets (%) .....        | 3.07   | 1.55   | 1.89   | 0.95   | 0.54  | 0.50  | 0.53  |
| Net charge-offs to loans (%) .....                 | 2.38   | 1.18   | 1.29   | 0.59   | 0.39  | 0.49  | 0.56  |
| Asset growth rate (%) .....                        | -2.40  | 6.82   | 6.20   | 9.89   | 9.04  | 7.63  | 11.37 |
| Net interest margin (%) .....                      | 3.46   | 3.33   | 3.16   | 3.29   | 3.31  | 3.47  | 3.52  |
| Net operating income growth (%) .....              | -62.22 | -63.63 | -90.50 | -27.58 | 8.53  | 11.39 | 3.99  |
| Number of institutions reporting .....             | 8,099  | 8,384  | 8,305  | 8,534  | 8,680 | 8,833 | 8,976 |
| Commercial banks .....                             | 6,911  | 7,146  | 7,086  | 7,283  | 7,401 | 7,526 | 7,631 |
| Savings institutions .....                         | 1,188  | 1,238  | 1,219  | 1,251  | 1,279 | 1,307 | 1,345 |
| Percentage of unprofitable institutions (%) .....  | 28.31  | 21.34  | 24.79  | 12.08  | 7.94  | 6.22  | 5.97  |
| Number of problem institutions .....               | 552    | 171    | 252    | 76     | 50    | 52    | 80    |
| Assets of problem institutions (in billions) ..... | \$346  | \$116  | \$159  | \$22   | \$8   | \$7   | \$28  |
| Number of failed institutions .....                | 95     | 13     | 25     | 3      | 0     | 0     | 4     |
| Number of assisted institutions .....              | 8      | 0      | 5      | 0      | 0     | 0     | 0     |

\* Excludes insured branches of foreign banks (IBAs).

\*\* Through September 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending September 30.

**TABLE II-A. Aggregate Condition and Income Data, All FDIC-Insured Institutions**

| (dollar figures in millions)                 | 3rd Quarter<br>2009      | 2nd Quarter<br>2009      | 3rd Quarter<br>2008 | %Change<br>08Q3-09Q3 |                     |                      |
|--|--------------------------|--------------------------|---------------------|----------------------|---------------------|----------------------|
| Number of institutions reporting .....       | 8,099                    | 8,195                    | 8,384               | -3.4                 |                     |                      |
| Total employees (full-time equivalent) ..... | 2,069,405                | 2,093,060                | 2,170,931           | -4.7                 |                     |                      |
| <b>CONDITION DATA</b>                        |                          |                          |                     |                      |                     |                      |
| Total assets .....                           | \$13,247,285             | \$13,301,549             | \$13,572,987        | -2.4                 |                     |                      |
| Loans secured by real estate .....           | 4,526,678                | 4,651,631                | 4,749,530           | -4.7                 |                     |                      |
| 1-4 Family residential mortgages .....       | 1,928,497                | 2,012,172                | 2,101,972           | -8.3                 |                     |                      |
| Nonfarm nonresidential .....                 | 1,089,930                | 1,086,490                | 1,043,580           | 4.4                  |                     |                      |
| Construction and development .....           | 492,213                  | 535,779                  | 614,730             | -19.9                |                     |                      |
| Home equity lines .....                      | 667,459                  | 672,908                  | 652,106             | 2.4                  |                     |                      |
| Commercial & industrial loans .....          | 1,275,647                | 1,364,766                | 1,502,746           | -15.1                |                     |                      |
| Loans to individuals .....                   | 1,040,183                | 1,037,132                | 1,082,714           | -3.9                 |                     |                      |
| Credit cards .....                           | 392,974                  | 398,233                  | 411,627             | -4.5                 |                     |                      |
| Farm loans .....                             | 60,014                   | 58,348                   | 59,612              | 0.7                  |                     |                      |
| Other loans & leases .....                   | 515,034                  | 516,329                  | 597,963             | -13.9                |                     |                      |
| Less: Unearned income .....                  | 2,613                    | 2,903                    | 2,792               | -6.4                 |                     |                      |
| Total loans & leases .....                   | 7,414,944                | 7,625,303                | 7,989,773           | -7.2                 |                     |                      |
| Less: Reserve for losses .....               | 220,268                  | 211,073                  | 156,445             | 40.8                 |                     |                      |
| Net loans and leases .....                   | 7,194,676                | 7,414,230                | 7,833,328           | -8.2                 |                     |                      |
| Securities .....                             | 2,396,639                | 2,336,976                | 2,025,434           | 18.3                 |                     |                      |
| Other real estate owned .....                | 37,165                   | 33,945                   | 22,460              | 65.5                 |                     |                      |
| Goodwill and other intangibles .....         | 425,113                  | 431,398                  | 484,147             | -12.2                |                     |                      |
| All other assets .....                       | 3,193,693                | 3,085,001                | 3,207,618           | -0.4                 |                     |                      |
| Total liabilities and capital .....          | 13,247,285               | 13,301,549               | 13,572,987          | -2.4                 |                     |                      |
| Deposits .....                               | 9,100,946                | 9,021,120                | 8,727,755           | 4.3                  |                     |                      |
| Domestic office deposits .....               | 7,553,140                | 7,555,189                | 7,222,233           | 4.6                  |                     |                      |
| Foreign office deposits .....                | 1,547,805                | 1,465,932                | 1,505,522           | 2.8                  |                     |                      |
| Other borrowed funds .....                   | 1,997,419                | 2,162,868                | 2,732,578           | -26.9                |                     |                      |
| Subordinated debt .....                      | 161,256                  | 168,125                  | 176,833             | -8.8                 |                     |                      |
| All other liabilities .....                  | 524,050                  | 527,796                  | 629,555             | -16.8                |                     |                      |
| Equity capital .....                         | 1,463,614                | 1,421,639                | 1,306,266           | 12.0                 |                     |                      |
| Loans and leases 30-89 days past due .....   | 142,698                  | 141,100                  | 121,609             | 17.3                 |                     |                      |
| Noncurrent loans and leases .....            | 366,621                  | 331,880                  | 187,355             | 95.7                 |                     |                      |
| Restructured loans and leases .....          | 50,788                   | 46,412                   | 21,335              | 138.0                |                     |                      |
| Mortgage-backed securities .....             | 1,350,429                | 1,365,640                | 1,261,315           | 7.1                  |                     |                      |
| Earning assets .....                         | 11,407,203               | 11,461,540               | 11,492,836          | -0.7                 |                     |                      |
| FHLB Advances .....                          | 575,624                  | 634,615                  | 911,487             | -36.8                |                     |                      |
| Unused loan commitments .....                | 6,125,546                | 6,307,959                | 7,852,407           | -22.0                |                     |                      |
| Trust assets .....                           | 20,252,884               | 17,502,516               | 19,739,794          | 2.6                  |                     |                      |
| Assets securitized and sold .....            | 1,857,417                | 1,865,353                | 1,892,416           | -1.8                 |                     |                      |
| Notional amount of derivatives*** .....      | 206,393,244              | 204,956,766              | 177,121,812         | 16.5                 |                     |                      |
| <b>INCOME DATA</b>                           |                          |                          |                     |                      |                     |                      |
|  | First Three<br>Qtrs 2009 | First Three<br>Qtrs 2008 | %Change             | 3rd Quarter<br>2009  | 3rd Quarter<br>2008 | %Change<br>08Q3-09Q3 |
| Total interest income .....                  | \$413,593                | \$487,007                | -15.1               | \$134,728            | \$159,079           | -15.3                |
| Total interest expense .....                 | 115,309                  | 207,939                  | -44.6               | 34,809               | 63,776              | -45.4                |
| Net interest income .....                    | 298,284                  | 279,068                  | 6.9                 | 99,919               | 95,303              | 4.8                  |
| Provision for loan and lease losses .....    | 188,577                  | 125,190                  | 50.6                | 62,511               | 51,166              | 22.2                 |
| Total noninterest income .....               | 198,396                  | 175,549                  | 13.0                | 62,211               | 58,250              | 6.8                  |
| Total noninterest expense .....              | 287,787                  | 274,342                  | 4.9                 | 92,362               | 93,935              | -1.7                 |
| Securities gains (losses) .....              | -1,551                   | -8,325                   | N/M                 | -4,084               | -7,881              | N/M                  |
| Applicable income taxes .....                | 4,884                    | 15,733                   | -69.0               | 115                  | 790                 | -85.5                |
| Extraordinary gains, net .....               | -3,626                   | 657                      | N/M                 | 31                   | 1,098               | -97.2                |
| Net income .....                             | 9,590                    | 31,685                   | -69.7               | 2,833                | 879                 | 222.4                |
| Net charge-offs .....                        | 135,868                  | 68,840                   | 97.4                | 50,779               | 28,135              | 80.5                 |
| Cash dividends .....                         | 33,458                   | 42,613                   | -21.5               | 20,093               | 10,988              | 82.9                 |
| Retained earnings .....                      | -23,868                  | -10,928                  | N/M                 | -17,260              | -10,109             | N/M                  |
| Net operating income .....                   | 13,867                   | 36,706                   | -62.2               | 5,136                | 5,421               | -5.5                 |

\*\*\* Call Report filers only.

N/M - Not Meaningful

# Quarterly Banking Profile

**TABLE III-A. Third Quarter 2009, All FDIC-Insured Institutions**

| THIRD QUARTER<br>(The way it is...)                    | All Insured<br>Institutions | Asset Concentration Groups* |                        |                       |                       |                     |                     |                                      |                           |                           |
|--|-----------------------------|-----------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|--------------------------------------|---------------------------|---------------------------|
|  |                             | Credit Card<br>Banks        | International<br>Banks | Agricultural<br>Banks | Commercial<br>Lenders | Mortgage<br>Lenders | Consumer<br>Lenders | Other<br>Specialized<br><\$1 Billion | All Other<br><\$1 Billion | All Other<br>>\$1 Billion |
| Number of institutions reporting .....                 | 8,099                       | 24                          | 4                      | 1,578                 | 4,541                 | 796                 | 81                  | 284                                  | 732                       | 59                        |
| Commercial banks .....                                 | 6,911                       | 20                          | 4                      | 1,572                 | 4,059                 | 212                 | 64                  | 256                                  | 679                       | 45                        |
| Savings institutions .....                             | 1,188                       | 4                           | 0                      | 6                     | 482                   | 584                 | 17                  | 28                                   | 53                        | 14                        |
| Total assets (in billions) .....                       | \$13,247.3                  | \$500.5                     | \$3,183.4              | \$177.5               | \$5,184.8             | \$852.3             | \$95.8              | \$37.8                               | \$102.7                   | \$3,112.5                 |
| Commercial banks .....                                 | 11,866.4                    | 478.8                       | 3,183.4                | 176.7                 | 4,693.0               | 178.2               | 52.4                | 33.8                                 | 89.3                      | 2,980.8                   |
| Savings institutions .....                             | 1,380.9                     | 21.7                        | 0.0                    | 0.7                   | 491.8                 | 674.1               | 43.4                | 4.1                                  | 13.4                      | 131.7                     |
| Total deposits (in billions) .....                     | 9,100.9                     | 266.8                       | 1,978.9                | 142.8                 | 3,852.7               | 509.7               | 78.8                | 28.1                                 | 84.3                      | 2,158.9                   |
| Commercial banks .....                                 | 8,178.2                     | 255.4                       | 1,978.9                | 142.2                 | 3,515.3               | 66.0                | 40.9                | 25.5                                 | 73.8                      | 2,080.2                   |
| Savings institutions .....                             | 922.7                       | 11.3                        | 0.0                    | 0.6                   | 337.4                 | 443.7               | 37.9                | 2.7                                  | 10.5                      | 78.7                      |
| Net income (in millions) .....                         | 2,833                       | 416                         | -310                   | 419                   | -3,318                | 583                 | 48                  | 96                                   | 189                       | 4,711                     |
| Commercial banks .....                                 | 1,457                       | 185                         | -310                   | 417                   | -4,038                | 738                 | 88                  | 43                                   | 207                       | 4,126                     |
| Savings institutions .....                             | 1,377                       | 232                         | 0                      | 2                     | 721                   | -156                | -41                 | 52                                   | -18                       | 585                       |
| <b>Performance Ratios (annualized,%)</b>               |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Yield on earning assets .....                          | 4.73                        | 11.50                       | 3.76                   | 5.68                  | 5.00                  | 4.92                | 5.68                | 3.78                                 | 5.41                      | 4.04                      |
| Cost of funding earning assets .....                   | 1.22                        | 1.39                        | 0.88                   | 1.67                  | 1.43                  | 1.70                | 1.56                | 1.09                                 | 1.62                      | 0.97                      |
| Net interest margin .....                              | 3.51                        | 10.11                       | 2.88                   | 4.01                  | 3.57                  | 3.22                | 4.12                | 2.70                                 | 3.80                      | 3.07                      |
| Noninterest income to assets .....                     | 1.88                        | 5.44                        | 1.97                   | 0.68                  | 1.43                  | 0.84                | 1.75                | 8.22                                 | 0.85                      | 2.28                      |
| Noninterest expense to assets .....                    | 2.79                        | 5.63                        | 2.65                   | 2.74                  | 2.85                  | 1.88                | 2.66                | 8.72                                 | 3.00                      | 2.56                      |
| Loan and lease loss provision to assets .....          | 1.89                        | 7.55                        | 1.36                   | 0.53                  | 1.95                  | 1.18                | 2.68                | 0.21                                 | 0.41                      | 1.75                      |
| Net operating income to assets .....                   | 0.16                        | 0.33                        | 0.33                   | 0.94                  | -0.25                 | 0.32                | 0.20                | 1.16                                 | 0.77                      | 0.50                      |
| Pretax return on assets .....                          | 0.09                        | 0.43                        | -0.21                  | 1.11                  | -0.24                 | 0.65                | 0.27                | 1.49                                 | 0.89                      | 0.63                      |
| Return on assets .....                                 | 0.09                        | 0.34                        | -0.04                  | 0.95                  | -0.26                 | 0.27                | 0.20                | 1.01                                 | 0.74                      | 0.60                      |
| Return on equity .....                                 | 0.80                        | 1.36                        | -0.46                  | 8.48                  | -2.37                 | 2.94                | 1.90                | 5.86                                 | 6.32                      | 5.45                      |
| Net charge-offs to loans and leases .....              | 2.71                        | 10.67                       | 3.18                   | 0.59                  | 2.12                  | 1.59                | 2.64                | 0.79                                 | 0.57                      | 2.63                      |
| Loan and lease loss provision to net charge-offs ..... | 123.10                      | 101.20                      | 117.03                 | 133.23                | 132.44                | 113.95              | 129.25              | 110.55                               | 127.00                    | 132.23                    |
| Efficiency ratio .....                                 | 54.63                       | 38.21                       | 59.58                  | 62.14                 | 58.04                 | 48.32               | 46.82               | 82.10                                | 68.90                     | 52.11                     |
| % of unprofitable institutions .....                   | 26.55                       | 33.33                       | 50.00                  | 10.65                 | 35.96                 | 20.10               | 18.52               | 20.07                                | 12.70                     | 23.73                     |
| % of institutions with earnings gains .....            | 43.25                       | 50.00                       | 0.00                   | 43.09                 | 41.36                 | 55.90               | 46.91               | 35.92                                | 43.44                     | 50.85                     |
| <b>Structural Changes</b>                              |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| New Charters .....                                     | 3                           | 0                           | 0                      | 0                     | 1                     | 0                   | 0                   | 2                                    | 0                         | 0                         |
| Institutions absorbed by mergers .....                 | 47                          | 1                           | 0                      | 9                     | 34                    | 0                   | 0                   | 0                                    | 1                         | 2                         |
| Failed Institutions .....                              | 50                          | 0                           | 0                      | 0                     | 45                    | 3                   | 0                   | 0                                    | 2                         | 0                         |
| <b>PRIOR THIRD QUARTERS<br/>(The way it was...)</b>    |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Return on assets (%) .....2008                         | 0.03                        | 0.36                        | 0.49                   | 1.01                  | -0.13                 | -1.34               | 0.94                | 0.12                                 | 0.61                      | 0.27                      |
| .....2006  | 1.31                        | 4.09                        | 0.92                   | 1.30                  | 1.32                  | 1.06                | 1.60                | 2.12                                 | 1.07                      | 1.35                      |
| .....2004  | 1.33                        | 4.10                        | 0.86                   | 1.33                  | 1.34                  | 1.15                | 1.16                | 1.53                                 | 1.18                      | 1.34                      |
| Net charge-offs to loans and leases (%) .....2008      | 1.43                        | 6.24                        | 1.44                   | 0.43                  | 1.23                  | 1.02                | 2.04                | 0.43                                 | 0.38                      | 1.11                      |
| .....2006  | 0.40                        | 3.86                        | 0.64                   | 0.15                  | 0.19                  | 0.18                | 1.21                | 0.12                                 | 0.17                      | 0.23                      |
| .....2004  | 0.51                        | 4.24                        | 0.89                   | 0.20                  | 0.28                  | 0.10                | 1.10                | 0.27                                 | 0.26                      | 0.26                      |

\* See Table IV-A (page B) for explanations.

# Quarterly Banking Profile

**TABLE III-A. Third Quarter 2009, All FDIC-Insured Institutions**

| THIRD QUARTER<br>(The way it is...)                    | All<br>Insured<br>Institutions | Asset Size Distribution       |                                    |                                   |                                 | Geographic Regions* |           |           |                |         |                  |       |
|--|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|---------------------------------|---------------------|-----------|-----------|----------------|---------|------------------|-------|
|  |                                | Less<br>than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater<br>than \$10<br>Billion | New York            | Atlanta   | Chicago   | Kansas<br>City | Dallas  | San<br>Francisco |       |
| Number of institutions reporting .....                 | 8,099                          | 2,912                         | 4,496                              | 579                               | 112                             | 989                 | 1,140     | 1,666     | 1,895          | 1,672   | 737              |       |
| Commercial banks .....                                 | 6,911                          | 2,588                         | 3,798                              | 440                               | 85                              | 519                 | 1,005     | 1,371     | 1,795          | 1,551   | 670              |       |
| Savings institutions .....                             | 1,188                          | 324                           | 698                                | 139                               | 27                              | 470                 | 135       | 295       | 100            | 121     | 67               |       |
| Total assets (in billions) .....                       | \$13,247.3                     | \$160.3                       | \$1,346.1                          | \$1,497.9                         | \$10,243.0                      | \$2,501.5           | \$3,450.5 | \$3,106.1 | \$1,077.8      | \$755.6 | \$2,355.9        |       |
| Commercial banks .....                                 | 11,866.4                       | 142.9                         | 1,104.2                            | 1,158.9                           | 9,460.3                         | 1,785.7             | 3,317.6   | 2,963.1   | 1,028.7        | 646.1   | 2,125.2          |       |
| Savings institutions .....                             | 1,380.9                        | 17.3                          | 241.9                              | 339.0                             | 782.7                           | 715.8               | 132.8     | 143.0     | 49.1           | 109.5   | 230.7            |       |
| Total deposits (in billions) .....                     | 9,100.9                        | 132.4                         | 1,090.3                            | 1,116.7                           | 6,761.5                         | 1,642.9             | 2,467.4   | 2,039.1   | 825.4          | 572.3   | 1,553.8          |       |
| Commercial banks .....                                 | 8,178.2                        | 119.0                         | 904.3                              | 863.5                             | 6,291.4                         | 1,144.4             | 2,368.7   | 1,934.3   | 788.7          | 501.9   | 1,440.2          |       |
| Savings institutions .....                             | 922.7                          | 13.4                          | 186.0                              | 253.2                             | 470.1                           | 498.5               | 98.7      | 104.8     | 36.7           | 70.4    | 113.6            |       |
| Net income (in millions) .....                         | 2,833                          | 72                            | -131                               | -1,761                            | 4,654                           | 354                 | -1,130    | 1,905     | 2,318          | 1,029   | -1,643           |       |
| Commercial banks .....                                 | 1,457                          | 30                            | 13                                 | -1,508                            | 2,921                           | -1,214              | -921      | 2,645     | 2,372          | 949     | -2,374           |       |
| Savings institutions .....                             | 1,377                          | 42                            | -145                               | -253                              | 1,733                           | 1,568               | -209      | -740      | -54            | 81      | 731              |       |
| Performance Ratios (annualized,%)                      |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |       |
| Yield on earning assets .....                          | 4.73                           | 5.61                          | 5.51                               | 5.17                              | 4.53                            | 5.14                | 4.49      | 4.12      | 5.55           | 5.11    | 4.95             |       |
| Cost of funding earning assets .....                   | 1.22                           | 1.70                          | 1.83                               | 1.71                              | 1.05                            | 1.41                | 1.16      | 1.09      | 1.06           | 1.35    | 1.31             |       |
| Net interest margin .....                              | 3.51                           | 3.91                          | 3.67                               | 3.46                              | 3.48                            | 3.73                | 3.32      | 3.03      | 4.49           | 3.75    | 3.63             |       |
| Noninterest income to assets .....                     | 1.88                           | 1.31                          | 0.98                               | 1.59                              | 2.05                            | 1.80                | 1.65      | 2.18      | 3.01           | 1.63    | 1.47             |       |
| Noninterest expense to assets .....                    | 2.79                           | 3.82                          | 3.22                               | 3.01                              | 2.69                            | 2.61                | 2.59      | 2.79      | 3.95           | 3.19    | 2.62             |       |
| Loan and lease loss provision to assets .....          | 1.89                           | 0.69                          | 1.13                               | 1.98                              | 1.99                            | 1.74                | 2.18      | 1.63      | 1.88           | 1.21    | 2.18             |       |
| Net operating income to assets .....                   | 0.16                           | 0.16                          | -0.04                              | -0.40                             | 0.26                            | 0.61                | -0.23     | 0.22      | 0.77           | 0.46    | -0.21            |       |
| Pretax return on assets .....                          | 0.09                           | 0.39                          | 0.01                               | -0.38                             | 0.16                            | -0.23               | -0.23     | 0.40      | 1.30           | 0.71    | -0.27            |       |
| Return on assets .....                                 | 0.09                           | 0.18                          | -0.04                              | -0.47                             | 0.18                            | 0.06                | -0.13     | 0.24      | 0.87           | 0.54    | -0.28            |       |
| Return on equity .....                                 | 0.80                           | 1.45                          | -0.39                              | -4.41                             | 1.68                            | 0.45                | -1.14     | 2.83      | 8.01           | 5.31    | -2.64            |       |
| Net charge-offs to loans and leases .....              | 2.71                           | 0.83                          | 1.23                               | 2.13                              | 3.10                            | 3.07                | 2.69      | 2.58      | 2.52           | 1.40    | 3.13             |       |
| Loan and lease loss provision to net charge-offs ..... | 123.10                         | 132.49                        | 133.21                             | 137.42                            | 120.57                          | 105.73              | 135.92    | 124.14    | 111.77         | 132.09  | 125.28           |       |
| Efficiency ratio .....                                 | 54.63                          | 77.72                         | 72.54                              | 60.04                             | 51.50                           | 50.09               | 55.43     | 56.42     | 55.49          | 62.58   | 52.82            |       |
| % of unprofitable institutions .....                   | 26.55                          | 25.65                         | 25.69                              | 35.06                             | 40.18                           | 22.95               | 48.77     | 24.25     | 17.99          | 15.91   | 48.30            |       |
| % of institutions with earnings gains .....            | 43.25                          | 43.58                         | 43.46                              | 41.45                             | 35.71                           | 54.70               | 34.56     | 40.88     | 42.80          | 47.19   | 38.94            |       |
| Structural Changes                                     |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |       |
| New Charters .....                                     | 3                              | 2                             | 1                                  | 0                                 | 0                               | 2                   | 0         | 0         | 0              | 1       | 0                |       |
| Institutions absorbed by mergers .....                 | 47                             | 24                            | 16                                 | 4                                 | 3                               | 6                   | 9         | 8         | 14             | 4       | 6                |       |
| Failed Institutions .....                              | 50                             | 11                            | 29                                 | 8                                 | 2                               | 4                   | 15        | 13        | 5              | 3       | 10               |       |
| PRIOR THIRD QUARTERS<br>(The way it was...)            |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |       |
| Return on assets (%) .....                             | 2008                           | 0.03                          | 0.27                               | -0.02                             | -0.60                           | 0.12                | 0.01      | 0.22      | 0.10           | 0.50    | 0.18             | -0.59 |
| .....  | 2006                           | 1.31                          | 1.02                               | 1.23                              | 1.27                            | 1.33                | 1.12      | 1.37      | 1.01           | 1.79    | 1.22             | 1.82  |
| .....  | 2004                           | 1.33                          | 1.08                               | 1.22                              | 1.47                            | 1.33                | 1.13      | 1.46      | 1.21           | 1.49    | 1.46             | 1.67  |
| Net charge-offs to loans and leases (%) .....          | 2008                           | 1.43                          | 0.44                               | 0.71                              | 1.10                            | 1.63                | 1.49      | 1.28      | 1.36           | 1.61    | 0.85             | 1.80  |
| .....  | 2006                           | 0.40                          | 0.16                               | 0.14                              | 0.20                            | 0.49                | 0.63      | 0.18      | 0.27           | 0.46    | 0.23             | 0.62  |
| .....  | 2004                           | 0.51                          | 0.25                               | 0.22                              | 0.34                            | 0.60                | 0.73      | 0.26      | 0.43           | 0.61    | 0.30             | 0.54  |

\* See Table IV-A (page 9) for explanations.

# Quarterly Banking Profile

**TABLE IV-A. First Three Quarters 2009, All FDIC-Insured Institutions**

| FIRST THREE QUARTERS<br>(The way it is...)           |  | Asset Concentration Groups* |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
|--|--|-----------------------------|----------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|--------------------------------------|---------------------------|---------------------------|
|  |  | All Insured<br>Institutions | Credit Card<br>Banks | International<br>Banks | Agricultural<br>Banks | Commercial<br>Lenders | Mortgage<br>Lenders | Consumer<br>Lenders | Other<br>Specialized<br><\$1 Billion | All Other<br><\$1 Billion | All Other<br>>\$1 Billion |
| Number of institutions reporting .....               |  | 8,099                       | 24                   | 4                      | 1,578                 | 4,541                 | 796                 | 81                  | 284                                  | 732                       | 59                        |
| Commercial banks .....                               |  | 6,911                       | 20                   | 4                      | 1,572                 | 4,059                 | 212                 | 64                  | 256                                  | 679                       | 45                        |
| Savings institutions .....                           |  | 1,188                       | 4                    | 0                      | 6                     | 482                   | 584                 | 17                  | 28                                   | 53                        | 14                        |
| Total assets (in billions) .....                     |  | \$13,247.3                  | \$500.5              | \$3,183.4              | \$177.5               | \$5,184.8             | \$852.3             | \$95.8              | \$37.8                               | \$102.7                   | \$3,112.5                 |
| Commercial banks .....                               |  | 11,866.4                    | 478.8                | 3,183.4                | 176.7                 | 4,693.0               | 178.2               | 52.4                | 33.8                                 | 89.3                      | 2,980.8                   |
| Savings institutions .....                           |  | 1,380.9                     | 21.7                 | 0.0                    | 0.7                   | 491.8                 | 674.1               | 43.4                | 4.1                                  | 13.4                      | 131.7                     |
| Total deposits (in billions) .....                   |  | 9,100.9                     | 266.8                | 1,978.9                | 142.8                 | 3,852.7               | 509.7               | 78.8                | 28.1                                 | 84.3                      | 2,158.9                   |
| Commercial banks .....                               |  | 8,178.2                     | 255.4                | 1,978.9                | 142.2                 | 3,515.3               | 66.0                | 40.9                | 25.5                                 | 73.8                      | 2,080.2                   |
| Savings institutions .....                           |  | 922.7                       | 11.3                 | 0.0                    | 0.6                   | 337.4                 | 443.7               | 37.9                | 2.7                                  | 10.5                      | 78.7                      |
| Net income (in millions) .....                       |  | 9,590                       | -2,122               | 100                    | 1,198                 | -7,918                | 3,003               | 145                 | 181                                  | 602                       | 14,401                    |
| Commercial banks .....                               |  | 8,064                       | -2,789               | 100                    | 1,195                 | -7,204                | 2,194               | 113                 | 37                                   | 618                       | 13,800                    |
| Savings institutions .....                           |  | 1,526                       | 667                  | 0                      | 3                     | -714                  | 808                 | 33                  | 144                                  | -16                       | 601                       |
| Performance Ratios (annualized,%)                    |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| Yield on earning assets .....                        |  | 4.80                        | 11.61                | 3.93                   | 5.70                  | 5.03                  | 5.10                | 5.81                | 3.99                                 | 5.48                      | 4.06                      |
| Cost of funding earning assets .....                 |  | 1.34                        | 1.39                 | 0.99                   | 1.79                  | 1.56                  | 1.88                | 1.68                | 1.19                                 | 1.71                      | 1.09                      |
| Net interest margin .....                            |  | 3.46                        | 10.23                | 2.94                   | 3.92                  | 3.48                  | 3.22                | 4.13                | 2.79                                 | 3.77                      | 2.97                      |
| Noninterest income to assets .....                   |  | 1.97                        | 5.39                 | 2.00                   | 0.66                  | 1.49                  | 0.79                | 2.14                | 7.95                                 | 0.85                      | 2.55                      |
| Noninterest expense to assets .....                  |  | 2.86                        | 5.77                 | 2.61                   | 2.74                  | 3.05                  | 1.83                | 2.81                | 8.96                                 | 2.99                      | 2.57                      |
| Loan and lease loss provision to assets .....        |  | 1.87                        | 8.94                 | 1.55                   | 0.48                  | 1.71                  | 1.12                | 2.76                | 0.18                                 | 0.35                      | 1.70                      |
| Net operating income to assets .....                 |  | 0.14                        | -0.68                | 0.27                   | 0.89                  | -0.21                 | 0.45                | 0.21                | 0.73                                 | 0.79                      | 0.55                      |
| Pretax return on assets .....                        |  | 0.14                        | -0.93                | -0.06                  | 1.07                  | -0.21                 | 0.84                | 0.46                | 1.15                                 | 0.97                      | 0.80                      |
| Return on assets .....                               |  | 0.10                        | -0.58                | 0.00                   | 0.91                  | -0.20                 | 0.47                | 0.22                | 0.64                                 | 0.80                      | 0.59                      |
| Return on equity .....                               |  | 0.93                        | -2.45                | 0.05                   | 8.20                  | -1.92                 | 5.35                | 2.13                | 3.70                                 | 6.88                      | 5.78                      |
| Net charge-offs to loans and leases .....            |  | 2.38                        | 9.93                 | 2.90                   | 0.51                  | 1.77                  | 1.26                | 2.64                | 0.80                                 | 0.46                      | 2.31                      |
| Loan and lease loss provision to net charge-offs ... |  | 138.79                      | 125.23               | 142.61                 | 141.22                | 139.38                | 134.84              | 132.47              | 88.56                                | 134.52                    | 148.18                    |
| Efficiency ratio .....                               |  | 54.96                       | 39.16                | 57.91                  | 63.49                 | 61.09                 | 47.79               | 46.12               | 81.97                                | 69.08                     | 50.21                     |
| % of unprofitable institutions .....                 |  | 28.31                       | 37.50                | 75.00                  | 10.46                 | 39.11                 | 21.23               | 18.52               | 16.55                                | 12.70                     | 27.12                     |
| % of institutions with earnings gains .....          |  | 37.54                       | 25.00                | 0.00                   | 39.48                 | 32.92                 | 57.29               | 41.98               | 35.21                                | 41.39                     | 38.98                     |
| Condition Ratios (%)                                 |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| Earning assets to total assets .....                 |  | 86.11                       | 80.92                | 84.29                  | 91.90                 | 88.02                 | 93.25               | 93.47               | 88.55                                | 91.83                     | 82.89                     |
| Loss Allowance to:                                   |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| Loans and leases .....                               |  | 2.97                        | 9.23                 | 4.11                   | 1.43                  | 2.36                  | 1.46                | 2.97                | 1.43                                 | 1.33                      | 2.88                      |
| Noncurrent loans and leases .....                    |  | 60.08                       | 299.84               | 59.07                  | 75.41                 | 51.27                 | 34.40               | 190.18              | 89.10                                | 73.39                     | 53.13                     |
| Noncurrent assets plus                               |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| other real estate owned to assets .....              |  | 3.07                        | 2.09                 | 2.63                   | 1.59                  | 3.70                  | 3.10                | 1.29                | 0.60                                 | 1.35                      | 2.85                      |
| Equity capital ratio .....                           |  | 10.90                       | 25.25                | 8.45                   | 11.32                 | 10.98                 | 9.31                | 10.87               | 17.57                                | 11.85                     | 11.26                     |
| Core capital (leverage) ratio .....                  |  | 8.54                        | 19.03                | 6.92                   | 10.09                 | 8.63                  | 8.60                | 10.38               | 15.82                                | 11.05                     | 8.11                      |
| Tier 1 risk-based capital ratio .....                |  | 11.49                       | 13.60                | 11.40                  | 13.65                 | 10.58                 | 17.08               | 13.72               | 35.00                                | 18.12                     | 11.00                     |
| Total risk-based capital ratio .....                 |  | 14.17                       | 15.64                | 14.66                  | 14.76                 | 13.07                 | 18.02               | 15.53               | 35.75                                | 19.30                     | 14.23                     |
| Net loans and leases to deposits .....               |  | 79.05                       | 115.67               | 54.91                  | 81.37                 | 90.61                 | 105.76              | 93.69               | 32.50                                | 67.82                     | 70.10                     |
| Net loans to total assets .....                      |  | 54.31                       | 61.65                | 34.13                  | 65.47                 | 67.33                 | 63.25               | 77.07               | 24.17                                | 55.62                     | 48.62                     |
| Domestic deposits to total assets .....              |  | 57.02                       | 45.10                | 29.72                  | 80.46                 | 71.68                 | 59.72               | 80.87               | 73.97                                | 82.00                     | 58.58                     |
| Structural Changes                                   |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| New Charters .....                                   |  | 28                          | 0                    | 0                      | 1                     | 6                     | 1                   | 0                   | 17                                   | 1                         | 2                         |
| Institutions absorbed by mergers .....               |  | 136                         | 1                    | 0                      | 15                    | 109                   | 2                   | 0                   | 1                                    | 5                         | 3                         |
| Failed Institutions .....                            |  | 95                          | 0                    | 0                      | 3                     | 83                    | 5                   | 0                   | 0                                    | 4                         | 0                         |
| PRIOR FIRST THREE QUARTERS<br>(The way it was...)    |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| Number of institutions .....                         |  | 2008 8,384                  | 26                   | 4                      | 1,588                 | 4,810                 | 827                 | 100                 | 298                                  | 691                       | 40                        |
| ..... 2006   |  | 8,743                       | 29                   | 4                      | 1,691                 | 4,710                 | 845                 | 125                 | 398                                  | 886                       | 55                        |
| ..... 2004   |  | 9,024                       | 35                   | 6                      | 1,783                 | 4,385                 | 1,000               | 136                 | 458                                  | 1,138                     | 83                        |
| Total assets (in billions) .....                     |  | 2008 \$13,573.0             | \$467.9              | \$3,263.3              | \$168.1               | \$6,077.9             | \$1,060.5           | \$71.0              | \$36.0                               | \$93.8                    | \$2,334.5                 |
| ..... 2006   |  | 11,754.2                    | 382.0                | 2,128.5                | 151.5                 | 4,673.1               | 1,790.4             | 107.1               | 42.3                                 | 117.4                     | 2,361.8                   |
| ..... 2004   |  | 9,877.2                     | 367.9                | 1,565.9                | 137.7                 | 3,195.3               | 1,405.2             | 211.7               | 54.1                                 | 147.6                     | 2,791.9                   |
| Return on assets (%) .....                           |  | 2008 0.32                   | 2.42                 | 0.31                   | 1.12                  | 0.23                  | -0.35               | 1.01                | 1.56                                 | 0.88                      | 0.36                      |
| ..... 2006   |  | 1.33                        | 4.42                 | 1.03                   | 1.29                  | 1.32                  | 1.07                | 1.69                | 1.33                                 | 1.07                      | 1.31                      |
| ..... 2004   |  | 1.29                        | 3.90                 | 0.89                   | 1.28                  | 1.33                  | 1.20                | 0.82                | 1.47                                 | 1.14                      | 1.23                      |
| Net charge-offs to loans & leases (%) .....          |  | 2008 1.18                   | 5.64                 | 1.28                   | 0.29                  | 0.98                  | 0.74                | 1.84                | 0.43                                 | 0.30                      | 0.88                      |
| ..... 2006   |  | 0.36                        | 3.38                 | 0.59                   | 0.14                  | 0.18                  | 0.14                | 1.00                | 0.53                                 | 0.17                      | 0.20                      |
| ..... 2004   |  | 0.55                        | 4.69                 | 1.05                   | 0.17                  | 0.29                  | 0.11                | 0.94                | 0.46                                 | 0.26                      | 0.25                      |
| Noncurrent assets plus                               |  |                             |                      |                        |                       |                       |                     |                     |                                      |                           |                           |
| OREO to assets (%) .....                             |  | 2008 1.55                   | 1.73                 | 1.17                   | 1.15                  | 1.92                  | 2.30                | 0.80                | 0.28                                 | 0.92                      | 0.85                      |
| ..... 2006   |  | 0.50                        | 1.35                 | 0.40                   | 0.67                  | 0.52                  | 0.52                | 0.65                | 0.20                                 | 0.52                      | 0.37                      |
| ..... 2004   |  | 0.57                        | 1.30                 | 0.69                   | 0.77                  | 0.55                  | 0.59                | 0.63                | 0.30                                 | 0.63                      | 0.40                      |
| Equity capital ratio (%) .....                       |  | 2008 9.62                   | 20.85                | 7.13                   | 11.07                 | 10.66                 | 7.95                | 9.14                | 19.61                                | 11.25                     | 8.61                      |
| ..... 2006   |  | 10.41                       | 27.18                | 7.82                   | 10.94                 | 10.39                 | 10.54               | 9.76                | 22.46                                | 11.11                     | 9.73                      |
| ..... 2004   |  | 10.13                       | 20.78                | 7.27                   | 10.87                 | 10.40                 | 8.74                | 13.62               | 16.95                                | 10.93                     | 10.25                     |

**\*Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive)**

Credit Card Banks - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.

International Banks - Banks with assets greater than \$10 billion and more than 25 percent of total assets in foreign offices.

Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of their total loans and leases.

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans

secured by commercial real estate properties exceed 25 percent of total assets.

Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.

Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.

Other Specialized < \$1 Billion - Institutions with assets less than \$1 billion, whose loans and leases are less than 40 percent of total assets.

All Other < \$1 billion - Institutions with assets less than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

All Other > \$1 billion - Institutions with assets greater than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.



# Quarterly Banking Profile

**TABLE IV-A. First Three Quarters 2009, All FDIC-Insured Institutions**

| FIRST THREE QUARTERS<br>(The way it is...)             |  | All<br>Insured<br>Institutions | Asset Size Distribution       |                                    |                                   |                                 | Geographic Regions* |           |           |                |           |                  |           |
|--|--|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|---------------------------------|---------------------|-----------|-----------|----------------|-----------|------------------|-----------|
|  |  |                                | Less<br>than \$100<br>Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater<br>than \$10<br>Billion | New York            | Atlanta   | Chicago   | Kansas<br>City | Dallas    | San<br>Francisco |           |
| Number of institutions reporting .....                 |  | 8,099                          | 2,912                         | 4,496                              | 579                               | 112                             | 989                 | 1,140     | 1,666     | 1,895          | 1,672     | 737              |           |
| Commercial banks .....                                 |  | 6,911                          | 2,588                         | 3,798                              | 440                               | 85                              | 519                 | 1,005     | 1,371     | 1,795          | 1,551     | 670              |           |
| Savings institutions .....                             |  | 1,188                          | 324                           | 698                                | 139                               | 27                              | 470                 | 135       | 295       | 100            | 121       | 67               |           |
| Total assets (in billions) .....                       |  | \$13,247.3                     | \$160.3                       | \$1,346.1                          | \$1,497.9                         | \$10,243.0                      | \$2,501.5           | \$3,450.5 | \$3,106.1 | \$1,077.8      | \$755.6   | \$2,355.9        |           |
| Commercial banks .....                                 |  | 11,866.4                       | 142.9                         | 1,104.2                            | 1,158.9                           | 9,460.3                         | 1,785.7             | 3,317.6   | 2,963.1   | 1,028.7        | 646.1     | 2,125.2          |           |
| Savings institutions .....                             |  | 1,380.9                        | 17.3                          | 241.9                              | 339.0                             | 782.7                           | 715.8               | 132.8     | 143.0     | 49.1           | 109.5     | 230.7            |           |
| Total deposits (in billions) .....                     |  | 9,100.9                        | 132.4                         | 1,090.3                            | 1,116.7                           | 6,761.5                         | 1,642.9             | 2,467.4   | 2,039.1   | 825.4          | 572.3     | 1,553.8          |           |
| Commercial banks .....                                 |  | 8,178.2                        | 119.0                         | 904.3                              | 863.5                             | 6,291.4                         | 1,144.4             | 2,368.7   | 1,934.3   | 788.7          | 501.9     | 1,440.2          |           |
| Savings institutions .....                             |  | 922.7                          | 13.4                          | 186.0                              | 253.2                             | 470.1                           | 498.5               | 98.7      | 104.8     | 36.7           | 70.4      | 113.6            |           |
| Net income (in millions) .....                         |  | 9,590                          | 255                           | 781                                | -3,863                            | 12,418                          | -2,631              | 2,629     | 5,313     | 5,889          | 2,166     | -3,777           |           |
| Commercial banks .....                                 |  | 8,064                          | 166                           | 945                                | -3,145                            | 10,098                          | -3,862              | 3,303     | 6,443     | 5,914          | 1,718     | -5,451           |           |
| Savings institutions .....                             |  | 1,526                          | 89                            | -165                               | -718                              | 2,320                           | 1,231               | -674      | -1,129    | -25            | 447       | 1,674            |           |
| Performance Ratios (annualized,%)                      |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| Yield on earning assets .....                          |  | 4.80                           | 5.65                          | 5.57                               | 5.25                              | 4.61                            | 5.21                | 4.45      | 4.24      | 5.60           | 5.13      | 5.17             |           |
| Cost of funding earning assets .....                   |  | 1.34                           | 1.81                          | 1.97                               | 1.84                              | 1.17                            | 1.52                | 1.29      | 1.19      | 1.14           | 1.48      | 1.47             |           |
| Net interest margin .....                              |  | 3.46                           | 3.84                          | 3.61                               | 3.42                              | 3.44                            | 3.69                | 3.16      | 3.05      | 4.46           | 3.65      | 3.70             |           |
| Noninterest income to assets .....                     |  | 1.97                           | 1.30                          | 0.98                               | 1.41                              | 2.19                            | 1.87                | 1.92      | 2.20      | 3.13           | 1.54      | 1.47             |           |
| Noninterest expense to assets .....                    |  | 2.86                           | 3.85                          | 3.22                               | 3.10                              | 2.77                            | 2.76                | 2.62      | 2.94      | 3.96           | 3.33      | 2.57             |           |
| Loan and lease loss provision to assets .....          |  | 1.87                           | 0.61                          | 0.96                               | 1.70                              | 2.03                            | 1.93                | 1.90      | 1.59      | 1.92           | 1.08      | 2.41             |           |
| Net operating income to assets .....                   |  | 0.14                           | 0.20                          | 0.06                               | -0.34                             | 0.21                            | 0.27                | 0.01      | 0.17      | 0.76           | 0.32      | -0.19            |           |
| Pretax return on assets .....                          |  | 0.14                           | 0.36                          | 0.13                               | -0.31                             | 0.21                            | -0.20               | 0.15      | 0.36      | 1.13           | 0.51      | -0.35            |           |
| Return on assets .....                                 |  | 0.10                           | 0.22                          | 0.08                               | -0.35                             | 0.16                            | -0.14               | 0.10      | 0.22      | 0.74           | 0.38      | -0.22            |           |
| Return on equity .....                                 |  | 0.93                           | 1.72                          | 0.78                               | -3.26                             | 1.55                            | -1.14               | 0.92      | 2.65      | 7.19           | 3.78      | -2.14            |           |
| Net charge-offs to loans and leases .....              |  | 2.38                           | 0.76                          | 1.00                               | 1.82                              | 2.74                            | 2.73                | 2.18      | 2.15      | 2.40           | 1.18      | 3.09             |           |
| Loan and lease loss provision to net charge-offs ..... |  | 138.79                         | 128.49                        | 138.48                             | 136.93                            | 139.09                          | 132.12              | 148.11    | 144.30    | 120.08         | 138.96    | 137.32           |           |
| Efficiency ratio .....                                 |  | 54.96                          | 78.89                         | 73.63                              | 63.78                             | 51.52                           | 52.38               | 54.12     | 57.16     | 54.81          | 64.68     | 52.91            |           |
| % of unprofitable institutions .....                   |  | 28.31                          | 26.10                         | 28.43                              | 36.27                             | 40.18                           | 27.30               | 53.07     | 23.77     | 18.26          | 17.11     | 52.92            |           |
| % of institutions with earnings gains .....            |  | 37.54                          | 40.01                         | 37.08                              | 30.74                             | 26.79                           | 49.75               | 25.96     | 38.18     | 36.68          | 42.28     | 29.04            |           |
| Condition Ratios (%)                                   |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| Earning assets to total assets .....                   |  | 86.11                          | 91.51                         | 91.78                              | 90.64                             | 84.62                           | 85.53               | 83.23     | 86.98     | 88.28          | 90.38     | 87.42            |           |
| Loss Allowance to:                                     |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| Loans and leases .....                                 |  | 2.97                           | 1.53                          | 1.65                               | 2.14                              | 3.38                            | 3.08                | 2.82      | 3.13      | 2.66           | 1.88      | 3.49             |           |
| Noncurrent loans and leases .....                      |  | 60.08                          | 62.97                         | 48.10                              | 49.58                             | 62.95                           | 90.71               | 52.85     | 54.83     | 58.36          | 57.53     | 59.94            |           |
| Noncurrent assets plus                                 |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| other real estate owned to assets .....                |  | 3.07                           | 2.12                          | 3.14                               | 3.50                              | 3.02                            | 1.89                | 3.51      | 3.18      | 3.45           | 2.66      | 3.50             |           |
| Equity capital ratio .....                             |  | 10.90                          | 12.44                         | 10.13                              | 10.77                             | 11.00                           | 12.98               | 11.59     | 8.69      | 10.85          | 10.43     | 10.78            |           |
| Core capital (leverage) ratio .....                    |  | 8.54                           | 11.91                         | 9.52                               | 9.27                              | 8.25                            | 9.80                | 7.93      | 7.17      | 9.12           | 9.34      | 9.43             |           |
| Tier 1 risk-based capital ratio .....                  |  | 11.49                          | 17.67                         | 13.11                              | 12.52                             | 11.04                           | 12.85               | 10.35     | 9.87      | 10.41          | 12.44     | 14.53            |           |
| Total risk-based capital ratio .....                   |  | 14.17                          | 18.75                         | 14.31                              | 13.87                             | 14.13                           | 14.97               | 13.68     | 13.13     | 12.75          | 14.19     | 16.46            |           |
| Net loans and leases to deposits .....                 |  | 79.05                          | 75.20                         | 83.68                              | 88.03                             | 76.90                           | 77.47               | 80.60     | 74.09     | 84.51          | 84.61     | 79.83            |           |
| Net loans to total assets .....                        |  | 54.31                          | 62.13                         | 67.78                              | 65.63                             | 50.76                           | 50.88               | 57.64     | 48.64     | 64.72          | 64.09     | 52.65            |           |
| Domestic deposits to total assets .....                |  | 57.02                          | 82.61                         | 80.95                              | 73.99                             | 50.99                           | 56.80               | 63.01     | 51.65     | 71.28          | 74.94     | 43.26            |           |
| Structural Changes                                     |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| New Charters .....                                     |  | 28                             | 24                            | 1                                  | 1                                 | 2                               | 3                   | 10        | 5         | 0              | 6         | 4                |           |
| Institutions absorbed by mergers .....                 |  | 136                            | 58                            | 62                                 | 11                                | 5                               | 24                  | 21        | 27        | 34             | 21        | 9                |           |
| Failed Institutions .....                              |  | 95                             | 15                            | 64                                 | 13                                | 3                               | 6                   | 29        | 20        | 10             | 5         | 25               |           |
| PRIOR FIRST THREE QUARTERS<br>(The way it was...)      |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| Number of institutions .....                           |  | 2008                           | 8,384                         | 3,240                              | 4,470                             | 560                             | 114                 | 1,027     | 1,197     | 1,721          | 1,943     | 777              |           |
| .....  |  | 2006                           | 8,743                         | 3,731                              | 4,369                             | 523                             | 120                 | 1,097     | 1,232     | 1,848          | 2,027     | 772              |           |
| .....  |  | 2004                           | 9,024                         | 4,204                              | 4,223                             | 480                             | 117                 | 1,136     | 1,223     | 1,968          | 2,104     | 753              |           |
| Total assets (in billions) .....                       |  | 2008                           | \$13,573.0                    | \$174.9                            | \$1,338.2                         | \$1,474.7                       | \$10,585.2          | \$2,689.5 | \$3,427.5 | \$3,324.7      | \$1,009.2 | \$770.8          | \$2,351.4 |
| .....  |  | 2006                           | 11,754.2                      | 194.2                              | 1,283.5                           | 1,422.5                         | 8,854.0             | 2,963.5   | 2,928.6   | 2,736.1        | 814.5     | 644.3            | 1,667.3   |
| .....  |  | 2004                           | 9,877.2                       | 217.7                              | 1,177.3                           | 1,326.4                         | 7,155.9             | 3,403.0   | 2,104.7   | 1,745.7        | 763.1     | 588.8            | 1,271.9   |
| Return on assets (%) .....                             |  | 2008                           | 0.32                          | 0.47                               | 0.44                              | 0.18                            | 0.33                | 0.59      | 0.30      | 0.31           | 0.93      | 0.56             | -0.22     |
| .....  |  | 2006                           | 1.33                          | 1.01                               | 1.20                              | 1.30                            | 1.36                | 1.24      | 1.34      | 1.07           | 1.68      | 1.27             | 1.77      |
| .....  |  | 2004                           | 1.29                          | 1.02                               | 1.19                              | 1.48                            | 1.28                | 1.14      | 1.40      | 1.13           | 1.51      | 1.35             | 1.61      |
| Net charge-offs to loans & leases (%) .....            |  | 2008                           | 1.18                          | 0.31                               | 0.49                              | 0.88                            | 1.37                | 1.31      | 0.98      | 1.15           | 1.36      | 0.65             | 1.49      |
| .....  |  | 2006                           | 0.36                          | 0.14                               | 0.14                              | 0.19                            | 0.43                | 0.56      | 0.16      | 0.24           | 0.39      | 0.20             | 0.56      |
| .....  |  | 2004                           | 0.55                          | 0.22                               | 0.23                              | 0.35                            | 0.66                | 0.81      | 0.31      | 0.36           | 0.75      | 0.26             | 0.60      |
| Noncurrent assets plus                                 |  |                                |                               |                                    |                                   |                                 |                     |           |           |                |           |                  |           |
| OREO to assets (%) .....                               |  | 2008                           | 1.55                          | 1.40                               | 1.82                              | 2.03                            | 1.46                | 0.98      | 1.67      | 1.56           | 1.90      | 1.63             | 1.85      |
| .....  |  | 2006                           | 0.50                          | 0.72                               | 0.57                              | 0.46                            | 0.49                | 0.44      | 0.31      | 0.54           | 0.89      | 0.62             | 0.63      |
| .....  |  | 2004                           | 0.57                          | 0.82                               | 0.61                              | 0.53                            | 0.56                | 0.56      | 0.39      | 0.68           | 0.61      | 0.65             | 0.66      |
| Equity capital ratio (%) .....                         |  | 2008                           | 9.62                          | 13.14                              | 10.18                             | 10.87                           | 9.32                | 10.92     | 10.14     | 8.56           | 9.66      | 9.87             | 8.79      |
| .....  |  | 2006                           | 10.41                         | 13.04                              | 10.46                             | 11.00                           | 10.25               | 11.13     | 9.76      | 9.03           | 11.18     | 10.36            | 12.20     |
| .....  |  | 2004                           | 10.13                         | 11.94                              | 10.20                             | 10.83                           | 9.94                | 10.16     | 8.45      | 10.47          | 10.52     | 10.17            | 12.14     |

\* Regions:

New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico,

Rhode Island, Vermont, U.S. Virgin Islands

Atlanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia

Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas

San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming



# Quarterly Banking Profile

**TABLE V-A. Loan Performance, All FDIC-Insured Institutions**

|   |                          | Asset Concentration Groups* |                     |                    |                    |                  |                  |                                |                        |                        |
|---|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
| September 30, 2009                                  | All Insured Institutions | Credit Card Banks           | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Percent of Loans 30-89 Days Past Due                |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All loans secured by real estate .....              | 2.23                     | 1.70                        | 3.46                | 1.14               | 1.95               | 2.26             | 1.35             | 1.74                           | 1.86                   | 2.30                   |
| Construction and development .....                  | 2.88                     | 4.66                        | 3.60                | 2.14               | 2.97               | 4.23             | 3.39             | 1.82                           | 2.59                   | 2.09                   |
| Nonfarm nonresidential .....                        | 1.21                     | 0.00                        | 0.79                | 1.10               | 1.28               | 1.27             | 1.81             | 1.37                           | 1.34                   | 0.90                   |
| Multifamily residential real estate .....           | 1.13                     | 0.00                        | 0.62                | 0.94               | 1.44               | 1.14             | 0.45             | 2.18                           | 1.04                   | 0.27                   |
| Home equity loans .....                             | 1.35                     | 1.84                        | 1.93                | 0.60               | 0.90               | 1.50             | 1.05             | 0.58                           | 0.94                   | 1.51                   |
| Other 1-4 family residential .....                  | 3.15                     | 1.72                        | 5.25                | 1.74               | 2.71               | 2.37             | 1.55             | 2.18                           | 2.16                   | 3.38                   |
| Commercial and industrial loans .....               | 0.95                     | 4.67                        | 0.43                | 1.48               | 1.08               | 1.11             | 1.39             | 1.19                           | 1.72                   | 0.63                   |
| Loans to individuals .....                          | 2.57                     | 3.29                        | 2.27                | 2.11               | 2.10               | 1.90             | 2.06             | 1.47                           | 2.33                   | 2.73                   |
| Credit card loans .....                             | 3.08                     | 3.18                        | 3.46                | 3.99               | 2.33               | 3.30             | 1.39             | 2.72                           | 1.95                   | 3.20                   |
| Other loans to individuals .....                    | 2.26                     | 4.09                        | 1.83                | 2.02               | 2.06               | 1.47             | 2.27             | 1.43                           | 2.35                   | 2.60                   |
| All other loans and leases (including farm) .....   | 0.52                     | 0.01                        | 0.38                | 0.74               | 0.68               | 0.43             | 0.35             | 0.87                           | 0.68                   | 0.55                   |
| Total loans and leases .....                        | 1.92                     | 3.05                        | 2.24                | 1.15               | 1.73               | 2.22             | 1.80             | 1.57                           | 1.81                   | 1.87                   |
| Percent of Loans Noncurrent**                       |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                         | 6.41                     | 2.72                        | 9.52                | 2.32               | 5.75               | 4.43             | 1.80             | 2.00                           | 2.06                   | 8.03                   |
| Construction and development .....                  | 15.00                    | 1.04                        | 13.83               | 10.27              | 15.34              | 13.21            | 7.37             | 3.73                           | 6.38                   | 14.35                  |
| Nonfarm nonresidential .....                        | 3.40                     | 0.00                        | 3.26                | 2.63               | 3.28               | 3.39             | 2.05             | 1.62                           | 2.27                   | 4.41                   |
| Multifamily residential real estate .....           | 3.58                     | 0.00                        | 3.38                | 2.62               | 3.95               | 2.84             | 1.12             | 1.82                           | 1.91                   | 2.32                   |
| Home equity loans .....                             | 1.76                     | 3.65                        | 1.94                | 0.79               | 1.15               | 1.86             | 0.76             | 0.60                           | 0.75                   | 2.43                   |
| Other 1-4 family residential .....                  | 8.06                     | 3.38                        | 15.27               | 1.64               | 5.69               | 4.53             | 2.67             | 2.19                           | 1.66                   | 11.57                  |
| Commercial and industrial loans .....               | 3.56                     | 4.43                        | 6.95                | 2.40               | 2.81               | 2.01             | 0.85             | 1.76                           | 1.95                   | 2.90                   |
| Loans to individuals .....                          | 2.08                     | 3.35                        | 2.67                | 0.97               | 1.26               | 1.42             | 1.55             | 0.48                           | 0.83                   | 1.28                   |
| Credit card loans .....                             | 3.29                     | 3.25                        | 4.20                | 4.94               | 2.97               | 3.73             | 1.48             | 0.81                           | 1.45                   | 3.20                   |
| Other loans to individuals .....                    | 1.34                     | 4.02                        | 2.10                | 0.78               | 0.98               | 0.72             | 1.57             | 0.47                           | 0.81                   | 0.78                   |
| All other loans and leases (including farm) .....   | 1.64                     | 0.01                        | 2.88                | 0.76               | 1.31               | 0.63             | 0.10             | 0.44                           | 0.75                   | 1.38                   |
| Total loans and leases .....                        | 4.94                     | 3.08                        | 6.95                | 1.89               | 4.61               | 4.25             | 1.55             | 1.60                           | 1.81                   | 5.43                   |
| Percent of Loans Charged-off (net, YTD)             |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                         | 1.87                     | 1.93                        | 2.88                | 0.38               | 1.65               | 1.16             | 1.59             | 0.48                           | 0.32                   | 2.41                   |
| Construction and development .....                  | 4.79                     | 0.00                        | 2.25                | 2.25               | 4.91               | 5.33             | 2.90             | 1.31                           | 1.12                   | 4.83                   |
| Nonfarm nonresidential .....                        | 0.62                     | 0.00                        | 1.26                | 0.40               | 0.64               | 0.72             | 0.76             | 0.19                           | 0.30                   | 0.41                   |
| Multifamily residential real estate .....           | 0.92                     | 0.00                        | 0.68                | 0.23               | 1.10               | 0.79             | 0.00             | 0.01                           | 0.25                   | 0.44                   |
| Home equity loans .....                             | 2.82                     | 0.00                        | 3.17                | 0.38               | 1.47               | 3.45             | 2.04             | 0.11                           | 0.49                   | 4.15                   |
| Other 1-4 family residential .....                  | 1.64                     | 2.88                        | 3.60                | 0.27               | 1.16               | 0.89             | 1.05             | 0.61                           | 0.24                   | 1.94                   |
| Commercial and industrial loans .....               | 2.28                     | 15.42                       | 2.48                | 1.17               | 1.97               | 1.45             | 4.99             | 0.85                           | 0.86                   | 1.62                   |
| Loans to individuals .....                          | 5.41                     | 10.31                       | 4.74                | 1.02               | 2.63               | 3.65             | 2.87             | 1.85                           | 0.94                   | 3.82                   |
| Credit card loans .....                             | 9.17                     | 9.63                        | 8.12                | 9.18               | 7.96               | 10.22            | 5.33             | 11.57                          | 4.20                   | 9.52                   |
| Other loans to individuals .....                    | 3.01                     | 15.09                       | 3.33                | 0.57               | 1.80               | 1.56             | 2.14             | 0.49                           | 0.85                   | 2.35                   |
| All other loans and leases (including farm) .....   | 1.18                     | 0.00                        | 1.47                | 0.00               | 1.38               | 0.81             | 1.43             | 0.96                           | 0.52                   | 0.96                   |
| Total loans and leases .....                        | 2.38                     | 9.93                        | 2.90                | 0.51               | 1.77               | 1.26             | 2.62             | 0.80                           | 0.46                   | 2.31                   |
| Loans Outstanding (in billions)                     |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                         | \$4,526.7                | \$0.2                       | \$566.1             | \$68.4             | \$2,433.0          | \$512.3          | \$19.9           | \$5.8                          | \$41.2                 | \$879.7                |
| Construction and development .....                  | 492.2                    | 0.0                         | 10.9                | 4.8                | 391.6              | 11.0             | 0.6              | 0.5                            | 2.8                    | 70.0                   |
| Nonfarm nonresidential .....                        | 1,089.9                  | 0.0                         | 32.2                | 19.5               | 858.7              | 26.5             | 0.9              | 1.8                            | 10.1                   | 140.1                  |
| Multifamily residential real estate .....           | 216.5                    | 0.0                         | 40.1                | 1.4                | 137.8              | 12.2             | 0.1              | 0.2                            | 0.8                    | 24.0                   |
| Home equity loans .....                             | 667.5                    | 0.0                         | 139.6               | 1.4                | 263.3              | 33.6             | 10.3             | 0.3                            | 1.6                    | 217.4                  |
| Other 1-4 family residential .....                  | 1,928.5                  | 0.1                         | 293.2               | 18.2               | 736.7              | 428.3            | 8.0              | 2.8                            | 23.0                   | 418.3                  |
| Commercial and industrial loans .....               | 1,275.6                  | 29.5                        | 220.9               | 15.5               | 671.9              | 9.7              | 4.8              | 1.2                            | 5.7                    | 316.5                  |
| Loans to individuals .....                          | 1,040.2                  | 273.5                       | 187.8               | 6.7                | 267.4              | 22.3             | 50.7             | 1.7                            | 6.8                    | 223.3                  |
| Credit card loans .....                             | 393.0                    | 240.4                       | 51.0                | 0.3                | 37.4               | 5.2              | 12.2             | 0.1                            | 0.2                    | 46.2                   |
| Other loans to individuals .....                    | 647.2                    | 33.1                        | 136.9               | 6.4                | 230.0              | 17.1             | 38.4             | 1.6                            | 6.6                    | 177.1                  |
| All other loans and leases (including farm) .....   | 575.0                    | 36.8                        | 159.3               | 27.3               | 203.9              | 2.8              | 1.2              | 0.6                            | 4.3                    | 138.9                  |
| Total loans and leases (plus unearned income) ..... | 7,417.6                  | 340.0                       | 1,134.1             | 117.9              | 3,576.2            | 547.1            | 76.7             | 9.3                            | 57.9                   | 1,558.4                |
| Memo: Other Real Estate Owned (in millions)         |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All other real estate owned .....                   | 37,164.6                 | -30.5                       | 2,500.0             | 582.6              | 26,498.4           | 3,119.6          | 47.4             | 65.4                           | 328.3                  | 4,053.4                |
| Construction and development .....                  | 14,866.2                 | 0.0                         | 27.0                | 210.5              | 13,095.0           | 915.5            | 20.2             | 23.1                           | 84.8                   | 490.1                  |
| Nonfarm nonresidential .....                        | 5,838.2                  | 0.2                         | 138.0               | 168.9              | 4,859.1            | 128.8            | 3.1              | 18.2                           | 90.7                   | 431.1                  |
| Multifamily residential real estate .....           | 1,441.8                  | 0.0                         | 52.0                | 23.3               | 1,120.7            | 37.6             | 5.1              | 0.9                            | 22.3                   | 180.0                  |
| 1-4 family residential .....                        | 12,428.8                 | 0.4                         | 1,502.0             | 133.8              | 6,664.3            | 1,854.5          | 17.7             | 21.9                           | 123.1                  | 2,111.2                |
| Farmland .....                                      | 225.7                    | 0.0                         | 0.0                 | 45.5               | 167.4              | 1.9              | 1.2              | 1.3                            | 7.3                    | 1.0                    |
| GNMA properties .....                               | 2,323.5                  | 0.0                         | 628.0               | 0.6                | 580.5              | 274.4            | 0.0              | 0.0                            | 0.0                    | 840.1                  |

\* See Table IV-A (page 8) for explanations.

\*\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

# Quarterly Banking Profile

**TABLE V-A. Loan Performance, All FDIC-Insured Institutions**

| September 30, 2009                                  | All Insured Institutions | Asset Size Distribution |                              |                             |                           | Geographic Regions* |           |         |             |         |               |
|---|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|---------|-------------|---------|---------------|
|   |                          | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York            | Atlanta   | Chicago | Kansas City | Dallas  | San Francisco |
| Percent of Loans 30-89 Days Past Due                |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All loans secured by real estate .....              | 2.23                     | 1.79                    | 1.65                         | 1.47                        | 2.56                      | 1.50                | 2.65      | 2.41    | 1.45        | 1.83    | 2.65          |
| Construction and development .....                  | 2.88                     | 2.55                    | 2.75                         | 2.44                        | 3.16                      | 2.57                | 2.95      | 3.58    | 2.42        | 2.11    | 3.17          |
| Nonfarm nonresidential .....                        | 1.21                     | 1.45                    | 1.33                         | 1.04                        | 1.23                      | 1.11                | 1.45      | 1.33    | 0.99        | 1.10    | 0.99          |
| Multifamily residential real estate .....           | 1.13                     | 1.34                    | 1.29                         | 1.46                        | 0.98                      | 0.94                | 1.31      | 1.23    | 0.67        | 1.72    | 1.08          |
| Home equity loans .....                             | 1.35                     | 0.99                    | 0.86                         | 0.81                        | 1.43                      | 0.66                | 1.49      | 1.51    | 1.32        | 0.85    | 1.34          |
| Other 1-4 family residential .....                  | 3.15                     | 2.24                    | 1.79                         | 1.64                        | 3.63                      | 1.74                | 3.81      | 3.45    | 1.82        | 2.85    | 3.92          |
| Commercial and industrial loans .....               | 0.95                     | 1.81                    | 1.42                         | 1.24                        | 0.83                      | 1.36                | 0.82      | 0.84    | 1.35        | 0.93    | 0.75          |
| Loans to individuals .....                          | 2.57                     | 2.48                    | 2.10                         | 2.16                        | 2.64                      | 3.22                | 2.57      | 2.12    | 3.14        | 1.66    | 2.13          |
| Credit card loans .....                             | 3.08                     | 3.56                    | 3.15                         | 2.01                        | 3.15                      | 3.41                | 3.02      | 2.94    | 3.19        | 1.19    | 2.73          |
| Other loans to individuals .....                    | 2.26                     | 2.47                    | 2.02                         | 2.22                        | 2.28                      | 2.90                | 2.44      | 1.90    | 3.10        | 1.82    | 1.78          |
| All other loans and leases (including farm) .....   | 0.52                     | 0.59                    | 0.64                         | 0.80                        | 0.49                      | 0.45                | 0.29      | 0.86    | 0.60        | 0.64    | 0.39          |
| Total loans and leases .....                        | 1.92                     | 1.71                    | 1.60                         | 1.47                        | 2.07                      | 1.75                | 2.15      | 1.95    | 1.53        | 1.59    | 2.05          |
| Percent of Loans Noncurrent**                       |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All real estate loans .....                         | 6.41                     | 2.79                    | 3.89                         | 5.24                        | 7.38                      | 3.77                | 7.22      | 7.60    | 6.86        | 4.17    | 7.09          |
| Construction and development .....                  | 15.00                    | 8.93                    | 11.87                        | 15.29                       | 16.34                     | 14.10               | 14.60     | 17.48   | 13.96       | 8.48    | 21.74         |
| Nonfarm nonresidential .....                        | 3.40                     | 2.79                    | 2.64                         | 3.03                        | 4.00                      | 3.26                | 3.99      | 3.92    | 2.81        | 1.95    | 3.35          |
| Multifamily residential real estate .....           | 3.58                     | 2.30                    | 3.26                         | 3.81                        | 3.60                      | 2.32                | 5.21      | 3.93    | 2.07        | 3.58    | 3.64          |
| Home equity loans .....                             | 1.76                     | 1.12                    | 1.15                         | 1.13                        | 1.86                      | 0.74                | 2.28      | 1.71    | 2.11        | 0.60    | 1.25          |
| Other 1-4 family residential .....                  | 8.06                     | 2.05                    | 2.57                         | 3.80                        | 9.79                      | 3.21                | 8.96      | 11.19   | 12.35       | 5.11    | 8.10          |
| Commercial and industrial loans .....               | 3.56                     | 2.64                    | 2.30                         | 2.36                        | 3.91                      | 3.33                | 2.96      | 3.58    | 2.39        | 1.65    | 6.11          |
| Loans to individuals .....                          | 2.08                     | 1.12                    | 0.94                         | 1.31                        | 2.22                      | 2.93                | 1.36      | 1.44    | 2.12        | 0.74    | 2.62          |
| Credit card loans .....                             | 3.29                     | 2.48                    | 2.76                         | 1.68                        | 3.41                      | 3.53                | 2.76      | 3.11    | 2.96        | 1.19    | 3.69          |
| Other loans to individuals .....                    | 1.34                     | 1.10                    | 0.80                         | 1.16                        | 1.41                      | 1.90                | 0.95      | 1.00    | 1.40        | 0.59    | 1.97          |
| All other loans and leases (including farm) .....   | 1.64                     | 0.74                    | 0.96                         | 1.19                        | 1.76                      | 1.26                | 0.95      | 2.40    | 0.61        | 1.13    | 3.17          |
| Total loans and leases .....                        | 4.94                     | 2.42                    | 3.42                         | 4.32                        | 5.37                      | 3.40                | 5.34      | 5.71    | 4.55        | 3.26    | 5.82          |
| Percent of Loans Charged-off (net, YTD)             |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All real estate loans .....                         | 1.87                     | 0.63                    | 0.88                         | 1.66                        | 2.17                      | 0.81                | 2.26      | 2.05    | 1.70        | 1.11    | 2.51          |
| Construction and development .....                  | 4.79                     | 2.93                    | 3.04                         | 5.68                        | 5.16                      | 3.08                | 4.68      | 5.36    | 3.78        | 3.00    | 8.65          |
| Nonfarm nonresidential .....                        | 0.62                     | 0.45                    | 0.39                         | 0.63                        | 0.74                      | 0.51                | 0.51      | 0.98    | 0.51        | 0.39    | 0.75          |
| Multifamily residential real estate .....           | 0.92                     | 0.49                    | 0.53                         | 1.07                        | 0.96                      | 0.48                | 1.28      | 1.10    | 0.42        | 1.18    | 0.98          |
| Home equity loans .....                             | 2.82                     | 0.82                    | 0.71                         | 1.02                        | 3.12                      | 0.87                | 3.80      | 2.02    | 3.64        | 1.31    | 3.49          |
| Other 1-4 family residential .....                  | 1.64                     | 0.35                    | 0.55                         | 0.83                        | 1.97                      | 0.65                | 1.85      | 2.04    | 1.10        | 0.60    | 2.43          |
| Commercial and industrial loans .....               | 2.28                     | 1.43                    | 1.48                         | 2.07                        | 2.40                      | 3.34                | 1.57      | 1.95    | 2.52        | 1.22    | 3.37          |
| Loans to individuals .....                          | 5.41                     | 1.27                    | 1.75                         | 3.14                        | 5.81                      | 8.57                | 3.53      | 3.37    | 6.68        | 1.83    | 5.27          |
| Credit card loans .....                             | 9.17                     | 11.19                   | 9.39                         | 6.64                        | 9.31                      | 10.03               | 8.75      | 8.68    | 10.45       | 4.40    | 7.74          |
| Other loans to individuals .....                    | 3.01                     | 0.92                    | 1.18                         | 1.82                        | 3.31                      | 5.96                | 2.01      | 1.82    | 3.52        | 1.13    | 3.68          |
| All other loans and leases (including farm) .....   | 1.18                     | 0.00                    | 0.70                         | 1.03                        | 1.25                      | 0.73                | 0.94      | 1.69    | 0.51        | 1.00    | 1.80          |
| Total loans and leases .....                        | 2.38                     | 0.76                    | 1.00                         | 1.82                        | 2.74                      | 2.73                | 2.17      | 2.15    | 2.40        | 1.18    | 3.09          |
| Loans Outstanding (in billions)                     |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All real estate loans .....                         | \$4,526.7                | \$69.3                  | \$725.5                      | \$730.2                     | \$3,001.6                 | \$806.5             | \$1,303.2 | \$957.7 | \$393.3     | \$335.7 | \$730.2       |
| Construction and development .....                  | 492.2                    | 6.7                     | 108.0                        | 123.2                       | 254.3                     | 60.9                | 173.8     | 88.6    | 43.6        | 67.6    | 57.9          |
| Nonfarm nonresidential .....                        | 1,089.9                  | 20.7                    | 268.9                        | 272.4                       | 527.9                     | 207.0               | 291.9     | 205.4   | 110.2       | 121.4   | 154.1         |
| Multifamily residential real estate .....           | 216.5                    | 1.9                     | 32.0                         | 45.9                        | 136.7                     | 56.3                | 40.1      | 62.0    | 12.2        | 8.9     | 37.0          |
| Home equity loans .....                             | 667.5                    | 2.4                     | 39.6                         | 50.7                        | 574.8                     | 74.0                | 227.7     | 198.9   | 79.1        | 24.1    | 63.6          |
| Other 1-4 family residential .....                  | 1,928.5                  | 28.8                    | 244.4                        | 225.2                       | 1,430.1                   | 403.2               | 550.6     | 385.3   | 126.5       | 101.8   | 361.1         |
| Commercial and industrial loans .....               | 1,275.6                  | 13.3                    | 118.6                        | 149.6                       | 994.2                     | 170.6               | 357.6     | 295.4   | 128.7       | 94.0    | 229.3         |
| Loans to individuals .....                          | 1,040.2                  | 7.3                     | 44.5                         | 86.5                        | 901.9                     | 257.1               | 241.7     | 179.6   | 92.0        | 41.8    | 228.0         |
| Credit card loans .....                             | 393.0                    | 0.1                     | 3.1                          | 24.8                        | 364.9                     | 162.6               | 54.5      | 37.7    | 42.3        | 10.5    | 85.3          |
| Other loans to individuals .....                    | 647.2                    | 7.2                     | 41.4                         | 61.7                        | 536.9                     | 94.4                | 187.2     | 141.8   | 49.7        | 31.3    | 142.7         |
| All other loans and leases (including farm) .....   | 575.0                    | 11.2                    | 39.6                         | 39.1                        | 485.1                     | 79.6                | 144.2     | 127.0   | 102.7       | 22.1    | 99.5          |
| Total loans and leases (plus unearned income) ..... | 7,417.6                  | 101.1                   | 928.1                        | 1,005.5                     | 5,382.8                   | 1,313.7             | 2,046.8   | 1,559.8 | 716.7       | 493.7   | 1,287.0       |
| Memo: Other Real Estate Owned (in millions)         |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All other real estate owned .....                   | 37,164.6                 | 949.4                   | 10,394.3                     | 8,746.1                     | 17,074.8                  | 2,485.0             | 11,594.5  | 9,161.3 | 4,503.8     | 3,927.0 | 5,493.0       |
| Construction and development .....                  | 14,866.2                 | 328.1                   | 5,305.7                      | 4,689.3                     | 4,543.0                   | 662.6               | 5,036.3   | 2,650.3 | 1,739.6     | 1,889.4 | 2,888.0       |
| Nonfarm nonresidential .....                        | 5,838.2                  | 259.4                   | 2,137.2                      | 1,612.0                     | 1,829.7                   | 571.3               | 1,658.0   | 1,238.1 | 806.5       | 856.5   | 707.8         |
| Multifamily residential real estate .....           | 1,441.8                  | 26.2                    | 335.7                        | 448.9                       | 631.0                     | 144.9               | 495.4     | 328.6   | 108.9       | 142.7   | 221.3         |
| 1-4 family residential .....                        | 12,428.8                 | 315.0                   | 2,481.6                      | 1,837.9                     | 7,794.3                   | 1,061.2             | 4,202.6   | 3,770.8 | 971.3       | 936.4   | 1,486.7       |
| Farmland .....                                      | 225.7                    | 20.3                    | 127.6                        | 61.1                        | 16.7                      | 10.1                | 35.8      | 37.0    | 35.0        | 87.9    | 19.9          |
| GNMA properties .....                               | 2,323.5                  | 0.5                     | 8.5                          | 97.5                        | 2,217.1                   | 23.4                | 166.6     | 1,224.2 | 842.7       | 14.2    | 52.5          |

\* See Table IV-A (page 9) for explanations.

\*\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

# Quarterly Banking Profile

**TABLE VI-A. Derivatives, All FDIC-Insured Commercial Banks and State-Chartered Savings Banks**

| (dollar figures in millions;<br>notional amounts unless otherwise indicated) |              |              |              |              |              |            | Asset Size Distribution    |                   |                    |              |            |
|--|--------------|--------------|--------------|--------------|--------------|------------|----------------------------|-------------------|--------------------|--------------|------------|
|  | 3rd Quarter  | 2nd Quarter  | 1st Quarter  | 4th Quarter  | 3rd Quarter  | %Change    | \$100 Million              | \$1 Billion       | \$1 Billion        | Greater Than |            |
|  | 2009         | 2009         | 2009         | 2008         | 2008         | 08Q3-09Q3  | Less Than<br>\$100 Million | To<br>\$1 Billion | To<br>\$10 Billion | \$10 Billion |            |
| <b>ALL DERIVATIVE HOLDERS</b>  |              |              |              |              |              |            |                            |                   |                    |              |            |
| Number of institutions reporting derivatives .....                           | 1,171        | 1,214        | 1,170        | 1,102        | 1,070        | 9.4        | 94                         | 693               | 304                | 80           |            |
| Total assets of institutions reporting derivatives .....                     | \$10,545,662 | \$10,594,628 | \$10,672,649 | \$10,975,123 | \$10,723,563 | -1.7       | \$6,641                    | \$291,061         | \$876,990          | \$9,370,970  |            |
| Total deposits of institutions reporting derivatives .....                   | 7,182,788    | 7,097,202    | 6,983,343    | 7,091,683    | 6,801,835    | 5.6        | 5,487                      | 232,986           | 656,565            | 6,287,751    |            |
| Total derivatives .....  | 206,393,244  | 204,956,766  | 203,388,099  | 212,114,644  | 177,121,812  | 16.5       | 284                        | 20,444            | 59,854             | 206,312,662  |            |
| <b>Derivative Contracts by Underlying Risk Exposure</b>                      |              |              |              |              |              |            |                            |                   |                    |              |            |
| Interest rate .....  | 172,577,250  | 171,919,307  | 169,395,794  | 175,894,783  | 137,207,613  | 25.8       | 273                        | 19,813            | 56,366             | 172,500,798  |            |
| Foreign exchange .....   | 17,721,486   | 16,646,714   | 16,272,958   | 16,922,815   | 19,729,753   | -10.2      | 0                          | 27                | 2,321              | 17,719,138   |            |
| Equity .....   | 2,182,024    | 2,041,640    | 2,174,368    | 2,206,793    | 2,786,005    | -21.7      | 11                         | 172               | 916                | 2,180,925    |            |
| Commodity & other (excluding credit derivatives) .....                       | 926,295      | 909,033      | 938,063      | 1,061,132    | 1,250,074    | -25.9      | 0                          | 300               | 191                | 925,805      |            |
| Credit .....   | 12,986,189   | 13,440,073   | 14,606,916   | 16,029,122   | 16,148,367   | -19.6      | 0                          | 132               | 60                 | 12,985,997   |            |
| Total .....  | 206,393,244  | 204,956,766  | 203,388,099  | 212,114,644  | 177,121,812  | 16.5       | 284                        | 20,444            | 59,854             | 206,312,662  |            |
| <b>Derivative Contracts by Transaction Type</b>                              |              |              |              |              |              |            |                            |                   |                    |              |            |
| Swaps .....  | 135,921,737  | 135,613,803  | 133,873,113  | 143,110,842  | 108,289,345  | 25.5       | 30                         | 10,179            | 37,363             | 135,874,165  |            |
| Futures & forwards .....   | 24,879,311   | 24,706,143   | 23,587,682   | 22,528,731   | 24,492,578   | 1.6        | 116                        | 4,344             | 11,571             | 24,863,281   |            |
| Purchased options .....  | 15,427,830   | 14,928,696   | 14,936,181   | 14,824,429   | 13,491,255   | 14.4       | 20                         | 816               | 3,339              | 15,423,654   |            |
| Written options .....  | 15,065,820   | 14,787,419   | 14,983,352   | 14,922,615   | 13,454,312   | 12.0       | 118                        | 4,972             | 7,210              | 15,053,522   |            |
| Total .....  | 191,294,699  | 190,036,061  | 187,380,328  | 195,386,617  | 159,727,490  | 19.8       | 284                        | 20,310            | 59,483             | 191,214,622  |            |
| <b>Fair Value of Derivative Contracts</b>                                    |              |              |              |              |              |            |                            |                   |                    |              |            |
| Interest rate contracts .....  | 123,736      | 126,040      | 138,559      | 131,483      | 27,300       | 353.2      | 1                          | 4                 | 60                 | 123,672      |            |
| Foreign exchange contracts .....   | -5,040       | -10,568      | -10,459      | -16,942      | 15,054       | N/M        | 0                          | 0                 | 2                  | -5,041       |            |
| Equity contracts .....   | -241         | 679          | 3,114        | 2,871        | 3,742        | N/M        | 0                          | 3                 | 17                 | -261         |            |
| Commodity & other (excluding credit derivatives) .....                       | 3,615        | 1,156        | 4,158        | 3,848        | 3,173        | 13.9       | 0                          | 8                 | 2                  | 3,605        |            |
| Credit derivatives as guarantor .....  | -234,357     | -476,973     | -959,080     | -975,755     | -566,035     | N/M        | 0                          | 0                 | 2                  | -234,360     |            |
| Credit derivatives as beneficiary .....                                      | 266,208      | 525,587      | 1,031,185    | 1,046,813    | 603,936      | -55.9      | 0                          | -1                | -3                 | 266,211      |            |
| <b>Derivative Contracts by Maturity**</b>                                    |              |              |              |              |              |            |                            |                   |                    |              |            |
| Interest rate contracts .....  | < 1 year     | 74,555,166   | 72,457,913   | 68,442,052   | 58,618,112   | 40,400,427 | 84.5                       | 77                | 3,732              | 15,963       | 74,535,393 |
| .....  | 1-5 years    | 33,977,568   | 35,921,531   | 37,293,223   | 47,456,432   | 37,760,963 | -10.0                      | 13                | 7,380              | 16,488       | 33,953,687 |
| .....  | > 5 years    | 26,620,709   | 28,356,868   | 29,984,848   | 36,868,247   | 28,785,015 | -7.5                       | 18                | 3,328              | 15,541       | 26,601,823 |
| Foreign exchange contracts .....   | < 1 year     | 9,674,124    | 9,490,043    | 9,234,331    | 10,561,395   | 12,664,219 | -23.6                      | 0                 | 20                 | 1,522        | 9,672,582  |
| .....  | 1-5 years    | 2,405,751    | 2,293,453    | 2,163,751    | 2,168,136    | 1,787,926  | 34.6                       | 0                 | 3                  | 8            | 2,405,741  |
| .....  | > 5 years    | 1,325,262    | 1,193,852    | 1,056,793    | 1,079,943    | 676,596    | 95.9                       | 0                 | 0                  | 0            | 1,325,262  |
| Equity contracts .....   | < 1 year     | 358,462      | 343,418      | 348,777      | 409,029      | 508,748    | -29.5                      | 2                 | 31                 | 83           | 358,346    |
| .....  | 1-5 years    | 301,995      | 291,182      | 286,171      | 256,252      | 332,908    | -9.3                       | 2                 | 82                 | 421          | 301,491    |
| .....  | > 5 years    | 82,835       | 75,716       | 82,843       | 72,337       | 81,967     | 1.1                        | 0                 | 0                  | 4            | 82,830     |
| Commodity & other contracts .....  | < 1 year     | 237,860      | 252,705      | 279,748      | 264,916      | 294,036    | -19.1                      | 0                 | 12                 | 146          | 237,702    |
| .....  | 1-5 years    | 233,829      | 211,329      | 206,173      | 261,768      | 288,860    | -19.1                      | 0                 | 113                | 12           | 233,703    |
| .....  | > 5 years    | 43,612       | 45,443       | 41,546       | 45,031       | 88,832     | -50.9                      | 0                 | 13                 | 0            | 43,598     |
| <b>Risk-Based Capital: Credit Equivalent Amount</b>                          |              |              |              |              |              |            |                            |                   |                    |              |            |
| Total current exposure to tier 1 capital (%) .....                           | 57.3         | 66.7         | 86.2         | 107.4        | 60.3         |            | 0.1                        | 0.6               | 1.6                | 65.0         |            |
| Total potential future exposure to tier 1 capital (%) .....                  | 83.6         | 80.6         | 89.2         | 103.2        | 122.3        |            | 0.1                        | 0.4               | 0.5                | 95.0         |            |
| Total exposure (credit equivalent amount) to tier 1 capital (%) .....        | 140.9        | 147.3        | 175.3        | 210.6        | 182.6        |            | 0.2                        | 1.0               | 2.1                | 160.0        |            |
| <b>Credit losses on derivatives***</b> .....                                 | 603.0        | 383.0        | 217.0        | 1,072.0      | 227.0        | 165.6      | 0.0                        | 7.0               | 2.0                | 593.0        |            |
| <b>HELD FOR TRADING</b>  |              |              |              |              |              |            |                            |                   |                    |              |            |
| Number of institutions reporting derivatives .....                           | 208          | 204          | 200          | 181          | 187          | 11.2       | 10                         | 73                | 69                 | 56           |            |
| Total assets of institutions reporting derivatives .....                     | 8,917,601    | 8,913,300    | 9,017,972    | 9,413,833    | 9,236,235    | -3.4       | 748                        | 30,805            | 273,194            | 8,612,854    |            |
| Total deposits of institutions reporting derivatives .....                   | 6,018,321    | 5,990,013    | 5,887,336    | 6,085,115    | 5,856,346    | 2.8        | 588                        | 24,623            | 199,322            | 5,793,789    |            |
| <b>Derivative Contracts by Underlying Risk Exposure</b>                      |              |              |              |              |              |            |                            |                   |                    |              |            |
| Interest rate .....  | 170,554,634  | 169,591,911  | 167,216,659  | 173,827,598  | 135,190,125  | 26.2       | 37                         | 833               | 17,352             | 170,536,412  |            |
| Foreign exchange .....   | 15,516,932   | 15,058,290   | 14,766,077   | 16,147,796   | 18,396,233   | -15.7      | 0                          | 0                 | 1,611              | 15,515,320   |            |
| Equity .....   | 2,175,796    | 2,034,228    | 2,162,149    | 2,195,068    | 2,773,712    | -21.6      | 0                          | 1                 | 255                | 2,175,539    |            |
| Commodity & other .....  | 924,183      | 906,108      | 935,634      | 1,058,678    | 1,246,952    | -25.9      | 0                          | 9                 | 111                | 924,063      |            |
| Total .....  | 189,171,544  | 187,590,538  | 185,080,520  | 193,229,140  | 157,607,022  | 20.0       | 37                         | 843               | 19,329             | 189,151,335  |            |
| <b>Trading Revenues: Cash &amp; Derivative Instruments</b>                   |              |              |              |              |              |            |                            |                   |                    |              |            |
| Interest rate .....  | 5,437        | 1,080        | 9,084        | -5,298       | -132         | N/M        | 0                          | 0                 | 58                 | 5,378        |            |
| Foreign exchange .....   | -1,535       | 2,132        | 2,436        | 3,388        | 3,098        | N/M        | 0                          | 0                 | 3                  | -1,537       |            |
| Equity .....   | 153          | -281         | 1,043        | -1,061       | 561          | -72.7      | 0                          | 0                 | 2                  | 151          |            |
| Commodity & other (including credit derivatives) .....                       | 1,648        | 2,328        | -2,366       | -6,265       | 2,900        | -43.2      | 0                          | 0                 | 1                  | 1,648        |            |
| Total trading revenues .....   | 5,704        | 5,259        | 10,197       | -9,237       | 6,427        | -11.2      | 0                          | 0                 | 63                 | 5,640        |            |
| <b>Share of Revenue</b>  |              |              |              |              |              |            |                            |                   |                    |              |            |
| Trading revenues to gross revenues (%) .....                                 | 4.7          | 4.0          | 7.6          | -8.2         | 4.6          |            | 0.0                        | 0.1               | 1.7                | 4.8          |            |
| Trading revenues to net operating revenues (%) .....                         | 82.6         | 96.4         | 138.3        | 44.0         | 67.0         |            | 0.0                        | 5.9               | -14.2              | 76.8         |            |
| <b>HELD FOR PURPOSES OTHER THAN TRADING</b>                                  |              |              |              |              |              |            |                            |                   |                    |              |            |
| Number of institutions reporting derivatives .....                           | 1,043        | 1,086        | 1,047        | 998          | 970          | 7.5        | 84                         | 622               | 261                | 76           |            |
| Total assets of institutions reporting derivatives .....                     | 10,193,321   | 10,218,107   | 10,304,668   | 10,464,333   | 10,396,554   | -2.0       | 5,894                      | 262,835           | 740,958            | 9,183,634    |            |
| Total deposits of institutions reporting derivatives .....                   | 6,950,206    | 6,847,509    | 6,729,875    | 6,820,742    | 6,589,371    | 5.5        | 4,899                      | 210,231           | 554,749            | 6,180,327    |            |
| <b>Derivative Contracts by Underlying Risk Exposure</b>                      |              |              |              |              |              |            |                            |                   |                    |              |            |
| Interest rate .....  | 2,022,616    | 2,327,396    | 2,179,134    | 2,067,185    | 2,017,489    | 0.3        | 236                        | 18,980            | 39,014             | 1,964,386    |            |
| Foreign exchange .....   | 92,197       | 107,791      | 106,027      | 76,113       | 87,565       | 5.3        | 0                          | 25                | 398                | 91,774       |            |
| Equity .....   | 6,229        | 7,412        | 12,219       | 11,725       | 12,293       | -49.3      | 11                         | 172               | 661                | 5,386        |            |
| Commodity & other .....  | 2,112        | 2,924        | 2,429        | 2,454        | 3,121        | -32.3      | 0                          | 291               | 80                 | 1,742        |            |
| Total notional amount .....  | 2,123,154    | 2,445,523    | 2,299,808    | 2,157,477    | 2,120,468    | 0.1        | 246                        | 19,467            | 40,154             | 2,063,287    |            |

All line items are reported on a quarterly basis.

\*Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or fair values are reported exclude spot foreign exchange contracts.

\*\* Derivative contracts subject to the risk-based capital requirements for derivatives.

\*\*\* The reporting of credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and to those banks filing the FFIEC 041 report form that have \$300 million or more in total assets.

N/M - Not Meaningful

# Quarterly Banking Profile

**TABLE VII-A. Servicing, Securitization, and Asset Sales Activities (All FDIC-Insured Commercial Banks and State-Chartered Savings Banks)**

|  | Table 1: Selling, Securitization, and Asset Sales Activities (Part 1) - Included Commercial Banks and State-Chartered Savings Banks |                     |                     |                     |                     |                      | Asset Size Distribution    |                                    |                                   |                                 |
|--|---|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|---------------------------------|
|  | 3rd Quarter<br>2009   | 2nd Quarter<br>2009 | 1st Quarter<br>2009 | 4th Quarter<br>2008 | 3rd Quarter<br>2008 | %Change<br>08Q3-09Q3 | Less Than<br>\$100 Million | \$100 Million<br>To<br>\$1 Billion | \$1 Billion<br>To<br>\$10 Billion | Greater<br>Than<br>\$10 Billion |
| (dollar figures in millions)   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| <b>Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements</b> |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Number of institutions reporting securitization activities .....   | 145   | 140                 | 132                 | 132                 | 128                 | 13.3                 | 18                         | 62                                 | 26                                | 39                              |
| <b>Outstanding Principal Balance by Asset Type</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | \$1,225,632   | \$1,222,173         | \$1,234,585         | \$1,256,021         | \$1,217,682         | 0.7                  | \$211                      | \$855                              | \$2,250                           | \$1,222,316                     |
| Home equity loans .....  | 6,205   | 6,594               | 6,595               | 6,692               | 6,880               | -9.8                 | 0                          | 0                                  | 44                                | 6,162                           |
| Credit card receivables .....  | 391,417   | 397,918             | 399,113             | 398,261             | 417,832             | -6.3                 | 0                          | 3,499                              | 9,539                             | 378,379                         |
| Auto loans .....   | 8,277   | 10,266              | 11,230              | 12,040              | 13,842              | -40.2                | 0                          | 0                                  | 97                                | 8,180                           |
| Other consumer loans .....   | 25,335  | 26,006              | 26,692              | 27,427              | 28,090              | -9.8                 | 0                          | 0                                  | 0                                 | 25,335                          |
| Commercial and industrial loans .....  | 8,435   | 9,019               | 8,317               | 9,705               | 11,080              | -23.9                | 0                          | 6                                  | 2,819                             | 5,610                           |
| All other loans, leases, and other assets*   | 192,116   | 193,377             | 197,693             | 198,471             | 197,010             | -2.5                 | 52                         | 85                                 | 187                               | 191,792                         |
| Total securitized and sold .....   | 1,857,417   | 1,865,353           | 1,884,227           | 1,908,617           | 1,892,416           | -1.8                 | 263                        | 4,445                              | 14,935                            | 1,837,773                       |
| <b>Maximum Credit Exposure by Asset Type</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | 6,066   | 6,046               | 6,279               | 6,892               | 7,514               | -19.3                | 4                          | 8                                  | 0                                 | 6,054                           |
| Home equity loans .....  | 1,006   | 1,063               | 1,120               | 1,247               | 1,347               | -25.3                | 0                          | 0                                  | 0                                 | 1,006                           |
| Credit card receivables .....  | 136,043   | 129,373             | 39,100              | 23,228              | 24,039              | 465.9                | 0                          | 606                                | 1,897                             | 133,541                         |
| Auto loans .....   | 745   | 722                 | 912                 | 707                 | 447                 | 66.7                 | 0                          | 0                                  | 8                                 | 737                             |
| Other consumer loans .....   | 1,434   | 1,399               | 1,429               | 1,532               | 1,428               | 0.4                  | 0                          | 0                                  | 0                                 | 1,434                           |
| Commercial and industrial loans .....  | 274   | 184                 | 367                 | 137                 | 170                 | 61.2                 | 0                          | 0                                  | 94                                | 180                             |
| All other loans, leases, and other assets .....  | 333   | 299                 | 301                 | 612                 | 714                 | -53.4                | 1                          | 4                                  | 51                                | 277                             |
| Total credit exposure .....  | 145,901   | 139,087             | 49,509              | 34,355              | 35,660              | 309.1                | 5                          | 619                                | 2,049                             | 143,228                         |
| Total unused liquidity commitments provided to institution's own securitizations .....                                   | 358   | 378                 | 397                 | 830                 | 1,273               | -71.9                | 0                          | 0                                  | 0                                 | 358                             |
| <b>Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | 4.6   | 4.3                 | 4.1                 | 4.4                 | 3.8                 |                      | 2.8                        | 0.3                                | 2.2                               | 4.6                             |
| Home equity loans .....  | 1.3   | 0.8                 | 1.1                 | 1.4                 | 1.3                 |                      | 0.0                        | 0.0                                | 5.2                               | 1.2                             |
| Credit card receivables .....  | 2.9   | 2.6                 | 3.0                 | 2.9                 | 2.5                 |                      | 0.0                        | 1.8                                | 2.2                               | 2.9                             |
| Auto loans .....   | 2.4   | 2.2                 | 2.0                 | 2.5                 | 2.1                 |                      | 0.0                        | 0.0                                | 0.6                               | 2.5                             |
| Other consumer loans .....   | 3.6   | 2.9                 | 3.1                 | 3.9                 | 3.2                 |                      | 0.0                        | 0.0                                | 0.0                               | 3.6                             |
| Commercial and industrial loans .....  | 2.9   | 2.6                 | 3.1                 | 2.6                 | 1.6                 |                      | 0.0                        | 0.0                                | 7.4                               | 0.6                             |
| All other loans, leases, and other assets .....  | 1.2   | 1.9                 | 0.6                 | 0.6                 | 0.2                 |                      | 0.8                        | 0.0                                | 0.3                               | 1.2                             |
| Total loans, leases, and other assets .....  | 3.9   | 3.7                 | 3.5                 | 3.7                 | 3.1                 |                      | 2.4                        | 1.5                                | 3.1                               | 3.9                             |
| <b>Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)</b>  |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | 7.5   | 6.6                 | 5.8                 | 4.5                 | 3.2                 |                      | 1.2                        | 0.6                                | 1.9                               | 7.5                             |
| Home equity loans .....  | 1.8   | 0.9                 | 1.4                 | 1.2                 | 0.7                 |                      | 0.0                        | 0.0                                | 4.4                               | 1.8                             |
| Credit card receivables .....  | 2.6   | 2.9                 | 3.0                 | 2.5                 | 2.1                 |                      | 0.0                        | 1.4                                | 1.9                               | 2.7                             |
| Auto loans .....   | 0.3   | 0.2                 | 0.2                 | 0.3                 | 0.2                 |                      | 0.0                        | 0.0                                | 0.1                               | 0.3                             |
| Other consumer loans .....   | 3.6   | 3.3                 | 3.5                 | 3.7                 | 2.9                 |                      | 0.0                        | 0.0                                | 0.0                               | 3.6                             |
| Commercial and industrial loans .....  | 1.2   | 1.3                 | 3.1                 | 2.1                 | 1.5                 |                      | 0.0                        | 0.0                                | 2.3                               | 0.7                             |
| All other loans, leases, and other assets .....  | 3.7   | 1.6                 | 1.1                 | 0.4                 | 0.2                 |                      | 0.0                        | 0.0                                | 0.0                               | 3.8                             |
| Total loans, leases, and other assets .....  | 5.9   | 5.2                 | 4.6                 | 3.6                 | 2.6                 |                      | 1.0                        | 1.2                                | 2.0                               | 6.0                             |
| <b>Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)</b>                                 |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | 0.7   | 0.5                 | 0.2                 | 0.3                 | 0.3                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.7                             |
| Home equity loans .....  | 1.4   | 0.9                 | 0.6                 | 0.1                 | 0.4                 |                      | 0.0                        | 0.0                                | 1.8                               | 1.4                             |
| Credit card receivables .....  | 7.6   | 4.8                 | 2.1                 | 6.4                 | 4.4                 |                      | 0.0                        | 4.6                                | 5.4                               | 7.7                             |
| Auto loans .....   | 1.9   | 1.1                 | 0.8                 | 0.8                 | 1.3                 |                      | 0.0                        | 0.0                                | 0.2                               | 1.9                             |
| Other consumer loans .....   | 0.7   | 0.5                 | 0.2                 | 0.8                 | 0.6                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.7                             |
| Commercial and industrial loans .....  | 10.0  | 6.9                 | 2.6                 | 5.9                 | 3.6                 |                      | 0.0                        | 0.0                                | 27.0                              | 1.5                             |
| All other loans, leases, and other assets .....  | 0.0   | 0.0                 | 0.0                 | 0.0                 | 0.0                 |                      | 0.0                        | 0.0                                | 0.0                               | 0.0                             |
| Total loans, leases, and other assets .....  | 2.1   | 1.4                 | 0.6                 | 1.6                 | 1.2                 |                      | 0.0                        | 3.6                                | 8.5                               | 2.1                             |
| <b>Seller's Interests in Institution's Own Securitizations - Carried as Loans</b>  |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Home equity loans .....  | 396   | 134                 | 165                 | 124                 | 166                 | 138.6                | 0                          | 0                                  | 0                                 | 396                             |
| Credit card receivables .....  | 73,401  | 68,128              | 77,212              | 113,017             | 98,826              | -25.7                | 0                          | 247                                | 6,451                             | 66,703                          |
| Commercial and industrial loans .....  | 930   | 451                 | 450                 | 436                 | 636                 | 46.2                 | 0                          | 2                                  | 756                               | 171                             |
| <b>Seller's Interests in Institution's Own Securitizations - Carried as Securities</b>                                   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Home equity loans .....  | 2   | 4                   | 5                   | 5                   | 6                   | -66.7                | 0                          | 0                                  | 0                                 | 2                               |
| Credit card receivables .....  | 788   | 594                 | 556                 | 584                 | 623                 | 26.5                 | 0                          | 272                                | 515                               | 0                               |
| Commercial and industrial loans .....  | 0   | 0                   | 0                   | 16                  | 15                  | -100.0               | 0                          | 0                                  | 0                                 | 0                               |
| <b>Assets Sold with Recourse and Not Securitized</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Number of institutions reporting asset sales .....   | 819   | 824                 | 818                 | 797                 | 787                 | 4.1                  | 158                        | 498                                | 117                               | 46                              |
| <b>Outstanding Principal Balance by Asset Type</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | 66,902  | 69,854              | 70,033              | 70,682              | 73,033              | -8.4                 | 1,171                      | 10,160                             | 4,250                             | 51,321                          |
| Home equity, credit card receivables, auto, and other consumer loans .....   | 1,024   | 1,160               | 1,348               | 1,477               | 1,611               | -36.4                | 0                          | 24                                 | 5                                 | 996                             |
| Commercial and industrial loans .....  | 2,844   | 3,195               | 6,028               | 6,698               | 7,314               | -61.1                | 1                          | 62                                 | 21                                | 2,761                           |
| All other loans, leases, and other assets .....  | 47,967  | 47,559              | 46,438              | 46,254              | 45,203              | 6.1                  | 0                          | 84                                 | 175                               | 47,708                          |
| Total sold and not securitized .....   | 118,737   | 121,768             | 123,847             | 125,110             | 127,160             | -6.6                 | 1,172                      | 10,329                             | 4,450                             | 102,786                         |
| <b>Maximum Credit Exposure by Asset Type</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans .....   | 14,549  | 15,210              | 15,420              | 15,312              | 15,586              | -6.7                 | 113                        | 2,029                              | 2,675                             | 9,731                           |
| Home equity, credit card receivables, auto, and other consumer loans .....   | 104   | 113                 | 183                 | 189                 | 203                 | -48.8                | 0                          | 7                                  | 3                                 | 95                              |
| Commercial and industrial loans .....  | 2,003   | 2,224               | 4,995               | 5,617               | 6,180               | -67.6                | 1                          | 51                                 | 21                                | 1,931                           |
| All other loans, leases, and other assets .....  | 10,133  | 10,010              | 9,790               | 9,528               | 9,312               | 8.8                  | 0                          | 44                                 | 55                                | 10,033                          |
| Total credit exposure .....  | 26,789  | 27,557              | 30,388              | 30,647              | 31,281              | -14.4                | 114                        | 2,131                              | 2,753                             | 21,790                          |
| <b>Support for Securitization Facilities Sponsored by Other Institutions</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Number of institutions reporting securitization facilities sponsored by others .....                                     | 60  | 60                  | 56                  | 51                  | 49                  | 22.4                 | 21                         | 27                                 | 7                                 | 5                               |
| Total credit exposure .....  | 4,872   | 3,812               | 2,134               | 3,319               | 6,050               | -19.5                | 11                         | 43                                 | 21                                | 4,797                           |
| Total unused liquidity commitments .....   | 327   | 475                 | 936                 | 1,416               | 3,531               | -90.7                | 0                          | 0                                  | 0                                 | 327                             |
| <b>Other</b>   |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Assets serviced for others** .....   | 5,978,776   | 5,879,912           | 5,683,430           | 5,615,123           | 5,528,963           | 8.1                  | 4,377                      | 75,833                             | 96,729                            | 5,801,837                       |
| <b>Asset-backed commercial paper conduits</b>  |   |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |
| Credit exposure to conduits sponsored by institutions and others .....   | 17,658  | 20,210              | 22,981              | 23,064              | 20,830              | -15.2                | 5                          | 0                                  | 226                               | 17,427                          |
| Unused liquidity commitments to conduits sponsored by institutions and others .....                                      | 182,740   | 210,026             | 273,542             | 297,908             | 311,683             | -41.4                | 0                          | 0                                  | 0                                 | 182,740                         |
| Net servicing income (for the quarter) .....   | 5,995   | 10,845              | 5,946               | -390                | 4,110               | 45.9                 | 5                          | 179                                | 220                               | 5,591                           |
| Net securitization income (for the quarter) .....  | 1,163   | -142                | 2,124               | 2,393               | 3,120               | -62.7                | 0                          | 62                                 | 129                               | 972                             |
| Total credit exposure to Tier 1 capital (%)*** .....   | 16.10   | 15.70               | 7.70                | 6.80                | 7.40                |                      | 0.70                       | 2.20                               | 3.60                              | 20.70                           |

\*Line item titled "All other loans and all leases" for quarters prior to March 31, 2006.

\*\*The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported when these assets are greater than \$10 million.

\*\*\*Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

## INSURANCE FUND INDICATORS

- ***Insured Deposits Grow by 10.2 Percent***
- ***DIF Reserve Ratio Declines 38 Basis Points to -0.16 Percent***
- ***Fifty Institutions Failed During Third Quarter***
- ***Rule Adopted for Prepaid Assessments***

Total assets of the nation's 8,099 FDIC-insured commercial banks and savings institutions decreased by \$54.3 billion (0.4 percent) during the third quarter of 2009. Total deposits increased by \$79.8 billion (0.9 percent) during the quarter, primarily due to activity in foreign offices, which was up \$81.9 billion (5.6 percent). This was the largest increase in foreign office deposits since the third quarter of 2007 when these deposits increased by \$96.8 billion (7.2 percent). Domestic deposits were almost unchanged in the third quarter, declining by \$2.0 billion (0.03 percent) from the previous quarter. Domestic non-interest-bearing deposits decreased by \$17.7 billion (1.2 percent), and domestic time deposits decreased by \$136.9 billion (5.2 percent). Savings deposits and interest-bearing checking accounts increased by \$152.5 billion (4.4 percent). Over the past 12 months, the share of assets funded by domestic deposits rose from 53.2 percent to 57.0 percent, and the share funded by foreign office deposits increased from 11.1 percent to 11.7 percent. During the same period, Federal Home Loan Bank (FHLB) advances as a percentage of total assets declined from 6.7 percent to 4.3 percent, the smallest percentage on record (2001 to present). FHLB advances decreased by \$335.9 billion (36.8 percent) over the 12 months ending September 30, 2009.

Since the second quarter of 2009, the portion of brokered deposits exceeding 10 percent of an institution's domestic deposits has been included in the formula used to price an institution's deposit insurance.<sup>1</sup> Brokered deposits decreased by \$73.4 billion (10.0 percent) during the third quarter, the sharpest decline since the first quarter of 1991 when they decreased by \$11.9 billion (11.0 percent). Reciprocal brokered deposits increased by \$1.4 billion (4.1 percent) to \$36.1 billion during the three months ending September 30, 2009.

On May 20, 2009, the President signed the Helping Families Save Their Homes Act of 2009, which extended the temporary deposit insurance coverage limit increase to \$250,000 for deposits other than retirement accounts (from the permanent limit of \$100,000) through the end of 2013. The legislation also eliminated the provision in the Emergency Economic Stabilization Act of 2008 that prevented the FDIC from considering this temporary increase in deposit insurance coverage for purposes of setting deposit insurance assessments. Beginning September 30, 2009, insured deposit estimates are based on the \$250,000 coverage limit. Estimated insured deposits at all FDIC-insured institutions (based on \$250,000 coverage) increased by \$491.5 billion (10.2 percent) in the third quarter of 2009.

The Deposit Insurance Fund (DIF) decreased by \$18.6 billion during the third quarter to a negative \$8.2 billion (unaudited) primarily because of \$21.7 billion in additional provisions for bank failures. Also, unrealized losses on available-for-sale securities, combined with operating expenses, reduced the fund by \$1.1 billion. Accrued assessment income added \$3.0 billion to the fund during the quarter, and interest earned, combined with realized gains from sale of securities and surcharges from the Temporary Liquidity Guarantee Program, added \$1.2 billion.

Fifty insured institutions with combined assets of \$68.8 billion failed during the third quarter of 2009, the largest number since the second quarter of 1990 when 65 insured institutions failed. Ninety-five insured institutions with combined assets of \$104.7 billion failed during the first three quarters of 2009, at a currently estimated cost to the DIF of \$25.0 billion. The DIF's reserve ratio was negative 0.16 percent on September 30, 2009, down from 0.22 percent on June 30, 2009, and 0.76 percent one year ago. The September 30, 2009, reserve ratio is the

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<sup>1</sup> For an institution in Risk Category I, the initial base assessment rate is adjusted using the adjusted brokered deposit ratio. This ratio will exceed zero if an institution's brokered deposits are greater than 10 percent of its domestic deposits and its total assets are more than 40 percent greater than they were four years previously. Certain reciprocal brokered deposits are excluded from the calculation of the adjusted brokered deposit ratio. For an institution in any other risk category, the initial base assessment rate is increased if the institution's ratio of brokered deposits to domestic deposits is greater than 10 percent. Reciprocal brokered deposits are included in the amount of brokered deposits for purposes of computing this ratio.

lowest reserve ratio for a combined bank and thrift insurance fund since June 30, 1992, when the ratio was negative 0.20 percent.

## **Prepaid Assessments**

On November 12, 2009, the FDIC adopted a final rule amending the assessment regulations to require insured depository institutions to prepay their quarterly risk-based assessments for the fourth quarter of 2009 and for all of 2010, 2011, and 2012 on December 30, 2009, along with each institution's risk-based assessment for the third quarter of 2009. For purposes of estimating an institution's assessments for the fourth quarter of 2009 and for all of 2010, 2011, and 2012 (and calculating the amount that an institution will prepay on December 30, 2009), an institution's assessment rate will be its total base assessment rate in effect on September 30, 2009<sup>2</sup>; however, an institution's total annual base assessment rate for purposes of estimating the institution's assessment for 2011 and 2012 will be increased by 3 basis points. For purposes of calculating the amount that an institution will prepay on December 30, 2009, an institution's third quarter 2009 assessment base will be increased quarterly at a 5 percent annual growth rate through the end of 2012. The FDIC will begin to draw down an institution's prepaid assessments on March 30, 2010, representing payment for the regular quarterly risk-based assessment for the fourth quarter of 2009.

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<sup>2</sup> An institution's risk-based assessment rate may change during a quarter when a new CAMELS rating is transmitted, or a new long-term debt-issuer rating is assigned. 12 CFR 327.4(f). For purposes of calculating an institution's prepaid assessment, the FDIC will use the institution's CAMELS ratings and, where applicable, long-term debt-issuer ratings, and the resulting assessment rate in effect on September 30, 2009.

# Quarterly Banking Profile

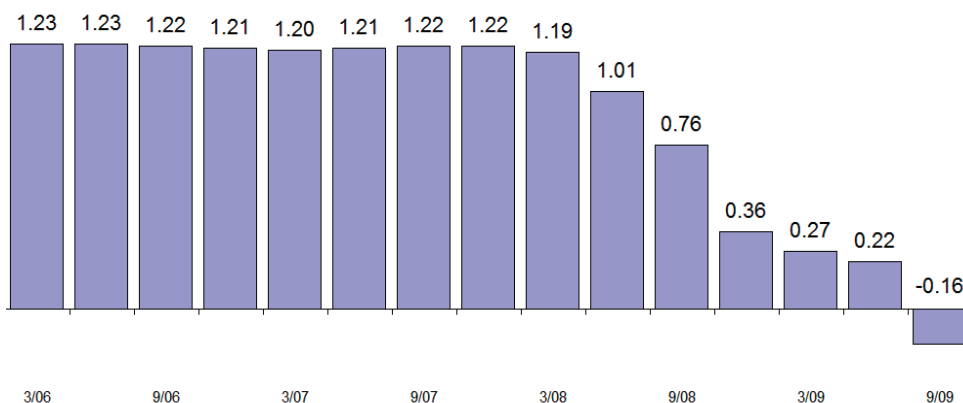
**Table I-B. Insurance Fund Balances and Selected Indicators**

| (dollar figures in millions)                                 | Deposit Insurance Fund |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 3rd Quarter<br>2009*   | 2nd Quarter<br>2009* | 1st Quarter<br>2009* | 4th Quarter<br>2008 | 3rd Quarter<br>2008 | 2nd Quarter<br>2008 | 1st Quarter<br>2008 | 4th Quarter<br>2007 | 3rd Quarter<br>2007 | 2nd Quarter<br>2007 | 1st Quarter<br>2007 | 4th Quarter<br>2006 | 3rd Quarter<br>2006 |
| Beginning Fund Balance.....                                  | \$10,368               | \$13,007             | \$17,276             | \$34,588            | \$45,217            | \$52,843            | \$52,413            | \$51,754            | \$51,227            | \$50,745            | \$50,165            | \$49,992            | \$49,564            |
| Changes in Fund Balance:                                     |                        |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Assessments earned.....                                      | 2,965                  | 9,095                | 2,615                | 996                 | 881                 | 640                 | 448                 | 239                 | 170                 | 140                 | 94                  | 10                  | 10                  |
| Interest earned on investment securities.....                | 176                    | 240                  | 212                  | 277                 | 526                 | 651                 | 618                 | 585                 | 640                 | 748                 | 567                 | 476                 | 622                 |
| Realized Gain on Sale of Investments.....                    | 732                    | 521                  | 136                  | 302                 | 473                 | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Operating expenses.....                                      | 328                    | 298                  | 266                  | 290                 | 249                 | 256                 | 238                 | 262                 | 243                 | 248                 | 239                 | 248                 | 237                 |
| Provision for insurance losses.....                          | 21,694                 | 11,615               | 6,637                | 19,163              | 11,930              | 10,221              | 525                 | 39                  | 132                 | -3                  | -73                 | 49                  | -50                 |
| All other income, net of expenses.....                       | 308                    | 375                  | 2                    | 15                  | 16                  | 1                   | 0                   | -2                  | 24                  | 1                   | 4                   | 5                   | 1                   |
| Unrealized gain/(loss) on available-for-sale securities..... | -770                   | -957                 | -331                 | 551                 | -346                | 1,559               | 127                 | 138                 | 68                  | -162                | 81                  | -21                 | -18                 |
| Total fund balance change.....                               | -18,611                | -2,639               | -4,269               | -17,312             | -10,629             | -7,626              | 430                 | 659                 | 527                 | 482                 | 580                 | 173                 | 428                 |
| Ending Fund Balance.....                                     | -8,243                 | 10,368               | 13,007               | 17,276              | 34,588              | 45,217              | 52,843              | 52,413              | 51,754              | 51,227              | 50,745              | 50,165              | 49,992              |
| Percent change from four quarters earlier.....               | NM                     | -77.07               | -75.39               | -67.04              | -33.17              | -11.73              | 4.13                | 4.48                | 3.52                | 3.36                | 3.15                | 3.23                | 3.35                |
| Reserve Ratio (%).....                                       | -0.16                  | 0.22                 | 0.27                 | 0.36                | 0.76                | 1.01                | 1.19                | 1.22                | 1.22                | 1.21                | 1.20                | 1.21                | 1.22                |
| Estimated Insured Deposits** .....                           | 5,308,738              | 4,817,201            | 4,832,921            | 4,750,807           | 4,545,350           | 4,467,849           | 4,438,180           | 4,292,221           | 4,242,607           | 4,235,044           | 4,245,266           | 4,153,786           | 4,100,013           |
| Percent change from four quarters earlier.....               | 16.79                  | 7.82                 | 8.89                 | 10.68               | 7.14                | 5.50                | 4.54                | 3.33                | 3.48                | 4.82                | 6.08                | 6.76                | 7.02                |
| Domestic Deposits .....                                      | 7,561,179              | 7,561,972            | 7,546,999            | 7,505,409           | 7,230,328           | 7,036,248           | 7,076,718           | 6,921,687           | 6,747,998           | 6,698,886           | 6,702,598           | 6,640,105           | 6,484,372           |
| Percent change from four quarters earlier.....               | 4.58                   | 7.47                 | 6.65                 | 8.43                | 7.15                | 5.04                | 5.58                | 4.24                | 4.07                | 3.91                | 5.71                | 6.59                | 6.76                |
| Number of institutions reporting.....                        | 8,109                  | 8,205                | 8,257                | 8,315               | 8,394               | 8,462               | 8,505               | 8,545               | 8,570               | 8,625               | 8,661               | 8,692               | 8,755               |

\* For 2009, preliminary unaudited fund data, which are subject to change.

\*\* The Emergency Economic Stabilization Act of 2008 prohibited the FDIC from considering the temporary coverage increase to \$250,000 in setting assessments. Therefore, we do not include the additional insured deposits in calculating the fund reserve ratio from fourth quarter 2008 through the second quarter of 2009. The Helping Families Save Their Home Act of 2009 eliminated the prohibition beginning with the third quarter of 2009, estimates of insured deposits include the temporary coverage increase to \$250,000.

**DIF Reserve Ratios**  
Percent of Insured Deposits



**Deposit Insurance Fund Balance and Insured Deposits (\$ Millions)**

|       | DIF Balance | DIF-Insured Deposits |
|-------|-------------|----------------------|
| 3/06  | 49,193      | 4,001,906            |
| 6/06  | 49,564      | 4,040,353            |
| 9/06  | 49,992      | 4,100,013            |
| 12/06 | 50,165      | 4,153,786            |
| 3/07  | 50,745      | 4,245,266            |
| 6/07  | 51,227      | 4,235,044            |
| 9/07  | 51,754      | 4,242,607            |
| 12/07 | 52,413      | 4,292,221            |
| 3/08  | 52,843      | 4,438,180            |
| 6/08  | 45,217      | 4,467,849            |
| 9/08  | 34,588      | 4,545,350            |
| 12/08 | 17,276      | 4,750,807            |
| 3/09  | 13,007      | 4,832,921            |
| 6/09  | 10,368      | 4,817,201            |
| 9/09  | -8,243      | 5,308,738            |

**Table II-B. Problem Institutions and Failed/Assisted Institutions**

(dollar figures in millions)

|                               | 2009**      | 2008**    | 2008        | 2007     | 2006    | 2005    | 2004     |
|-------------------------------|-------------|-----------|-------------|----------|---------|---------|----------|
| <b>Problem Institutions</b>   |             |           |             |          |         |         |          |
| Number of institutions.....   | 552         | 171       | 252         | 76       | 50      | 52      | 80       |
| Total assets.....             | \$345,931   | \$115,639 | \$159,405   | \$22,189 | \$8,265 | \$6,607 | \$28,250 |
| <b>Failed Institutions</b>    |             |           |             |          |         |         |          |
| Number of institutions.....   | 95          | 13        | 25          | 3        | 0       | 0       | 4        |
| Total assets.....             | \$104,665   | \$347,569 | \$371,945   | \$2,615  | \$0     | \$0     | \$170    |
| <b>Assisted Institutions*</b> |             |           |             |          |         |         |          |
| Number of institutions.....   | 8           | 0         | 5           | 0        | 0       | 0       | 0        |
| Total assets.....             | \$1,917,482 | \$0       | \$1,306,042 | 0        | 0       | 0       | 0        |

\* Assisted institutions represent five institutions under a single holding company that received assistance in 2008, and eight institutions under a different single holding company that received assistance in 2009.

\*\* Through September 30.



# Quarterly Banking Profile

**Table III-B. Estimated FDIC-Insured Deposits by Type of Institution**

| <i>(dollar figures in millions)</i><br>September 30, 2009        | Number of<br>Institutions | Total<br>Assets   | Domestic<br>Deposits* | Est. Insured<br>Deposits |
|--|---------------------------|-------------------|-----------------------|--------------------------|
| <b>Commercial Banks and Savings Institutions</b>                 |                           |                   |                       |                          |
| FDIC-Insured Commercial Banks .....                              | 6,911                     | \$11,866,395      | \$6,630,501           | \$4,493,927              |
| FDIC-Supervised .....  | 4,573                     | 1,942,120         | 1,465,607             | 1,174,525                |
| OCC-Supervised .....   | 1,492                     | 8,213,334         | 4,192,889             | 2,687,714                |
| Federal Reserve-Supervised .....                                 | 846                       | 1,710,941         | 972,004               | 631,688                  |
| FDIC-Insured Savings Institutions .....                          | 1,188                     | 1,380,890         | 922,639               | 808,124                  |
| OTS-Supervised Savings Institutions .....                        | 780                       | 1,070,636         | 699,400               | 615,610                  |
| FDIC-Supervised State Savings Banks .....                        | 408                       | 310,255           | 223,240               | 192,514                  |
| <b>Total Commercial Banks and<br/>Savings Institutions .....</b> | <b>8,099</b>              | <b>13,247,285</b> | <b>7,553,140</b>      | <b>5,302,052</b>         |
| <b>Other FDIC-Insured Institutions</b>                           |                           |                   |                       |                          |
| U.S. Branches of Foreign Banks .....                             | 10                        | 21,396            | 8,038                 | 6,687                    |
| <b>Total FDIC-Insured Institutions .....</b>                     | <b>8,109</b>              | <b>13,268,681</b> | <b>7,561,179</b>      | <b>5,308,738</b>         |

\* Excludes \$1.55 trillion in foreign office deposits, which are uninsured.

**Table IV-B. Distribution of Institutions and Domestic Deposits Among Risk Categories**

Quarter Ending June 30, 2009

*(dollar figures in billions)*

|                          | Annual<br>Rate in<br>Basis Points | Number of<br>Institutions | Percent of<br>Total<br>Institutions | Domestic<br>Deposits | Percent of Total<br>Domestic<br>Deposits |
|--------------------------|-----------------------------------|---------------------------|-------------------------------------|----------------------|--|
| <b>Risk Category I</b>   | 7.00-12.00                        | 1,989                     | 24.24                               | 579                  | 7.65                                     |
|                          | 12.01- 14.00                      | 1,779                     | 21.68                               | 1,525                | 20.17                                    |
|                          | 14.01- 15.99                      | 2,584                     | 31.50                               | 2,360                | 31.20                                    |
|                          | 16.00-24.00                       | 354                       | 4.31                                | 358                  | 4.73                                     |
| <b>Risk Category II</b>  | 17.00-22.00                       | 677                       | 8.25                                | 2,158                | 28.53                                    |
|                          | 22.01-43.00                       | 337                       | 4.11                                | 326                  | 4.31                                     |
| <b>Risk Category III</b> | 27.00-32.00                       | 204                       | 2.49                                | 71                   | 0.94                                     |
|                          | 32.01-58.00                       | 158                       | 1.93                                | 107                  | 1.41                                     |
| <b>Risk Category IV</b>  | 40.00-45.00                       | 67                        | 0.82                                | 42                   | 0.56                                     |
|                          | 45.01-77.50                       | 55                        | 0.67                                | 37                   | 0.49                                     |

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of June 30, 2009.

Rates do not reflect the application of assessment credits. See notes to users for further information on risk categories and rates.

Assessment rates within a given risk category vary for several reasons, see

12 CFR Part 327, <http://www.fdic.gov/deposit/insurance/initiative/09FinalAD35.pdf>

## TEMPORARY LIQUIDITY GUARANTEE PROGRAM

- ***Final Rule for Phasing Out Debt Guarantee Program Adopted***
- ***Transaction Account Guarantee Program Extended to June 30, 2010***
- ***More Than 600,000 Additional Transaction Accounts Receive Full Coverage***
- ***\$307 Billion in Debt Outstanding in Program***

### **FDIC Responds to Market Disruptions with TLGP**

The FDIC Board approved the Temporary Liquidity Guarantee Program (TLGP) on October 13, 2008, as major disruptions in credit markets blocked access to liquidity for financial institutions.<sup>1</sup> The TLGP improved access to liquidity through the Transaction Account Guarantee Program (TAGP), which fully guarantees non-interest-bearing transaction deposit accounts above \$250,000, regardless of dollar amount, and the Debt Guarantee Program (DGP), which guarantees eligible senior unsecured debt issued by eligible institutions.

All insured depository institutions are eligible to participate in the TAGP. Institutions eligible for participation in the DGP include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of insured depository institutions that the FDIC designates as eligible entities.

### **FDIC Extends Transaction Account and Debt Guarantee Programs**

Although financial markets have improved significantly since the fall of 2008, portions of the industry are still suffering from recent economic turmoil. To facilitate the orderly phase-out of the TLGP, and to continue access to FDIC guarantees where they are needed, the FDIC Board of Directors (Board) extended both the TAGP and the DGP.

On March 17, 2009, the Board voted to extend the deadline for issuance of guaranteed debt from June 30, 2009, to October 31, 2009, and extended the expiration date of the guarantee to the earlier of maturity of the debt or December 31, 2012, from June 30, 2012. The FDIC imposed a surcharge on debt issued with a maturity of one year or more beginning in the second quarter of 2009.<sup>2</sup>

A final rule extending the TAGP six months, to June 30, 2010, was adopted on August 26, 2009. Entities currently participating in the program will have an opportunity to opt out of the extended program. Depository institutions that remain in the extended program will be subject to increased fees that are adjusted to reflect the institution's risk.<sup>3</sup>

The Board adopted a final rule on October 20, 2009, that allows the DGP to expire on October 31, 2009.<sup>4</sup> The rule also establishes a limited, six-month guarantee facility upon expiration of the DGP. This emergency guarantee facility would be available on a case-by-case basis to entities participating in the DGP, upon application to the FDIC and with the approval of the Chairman after consultation with the Board.

### **Program Funded by Industry Fees and Assessments**

The TLGP does not rely on taxpayer funding or the Deposit Insurance Fund. Both components of the program are paid for by direct user fees. Institutions participating in the TAGP provide customers full coverage on non-interest-bearing transaction accounts for an annual fee of 10 basis points through year-end 2009. Fees for qualifying non-interest-bearing transaction accounts guaranteed between January 1, 2010, and June 30, 2010, will be based on the participating entity's risk category assignment under the FDIC's risk-based premium system. Annualized fees will be either 15, 20, or 25 basis points, depending on an institution's risk category.

Fees for participation in the DGP depend on the maturity of debt issued and range from 50 to 100 basis points (annualized). A surcharge will be imposed on debt issued with a maturity of one year or greater after April 1,

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<sup>1</sup> The FDIC invoked the systemic risk exception pursuant to section 141 of the Federal Deposit Improvement Act of 1991, 12 U.S.C 1823(c)(4) on October 13, 2008. For further information on the TLGP, see <http://www.fdic.gov/regulations/resources/TLGP/index.html>.

<sup>2</sup> See <http://www.fdic.gov/news/board/Mar1709rule.pdf>.

<sup>3</sup> See <http://www.fdic.gov/news/board/aug26no3.pdf>.

<sup>4</sup> See <http://www.fdic.gov/regulations/laws/federal/2009/09finalAD37Oct23.pdf>.

2009. For debt that is not issued under the extension, that is, debt that is issued on or before June 30, 2009, and matures on or before June 30, 2012, surcharges will be 10 basis points (annualized) on debt issued by insured depository institutions and 20 basis points (annualized) on debt issued by other participating entities. For debt issued under the extension, that is, debt issued after June 30, 2009, or debt that matures after June 30, 2012, surcharges will be 25 basis points (annualized) on debt issued by insured depository institutions and 50 basis points (annualized) on debt issued by other participating entities. As of September 30, 2009, a total of \$9.6 billion in fees had been assessed under the DGP.

### **A Majority of Eligible Entities Have Chosen to Participate in the TLGP**

More than 86 percent of FDIC-insured institutions have opted in to the TAGP, and more than half of all eligible entities have elected to opt in to the DGP. Lists of institutions that opted out of the guarantee programs are posted at <http://www.fdic.gov/regulations/resources/TLGP/optout.html>.

### **\$760 Billion in Transaction Accounts over \$250,000 Guaranteed**

According to third quarter 2009 Call and Thrift Financial Reports, insured institutions reported 647,787 non-interest-bearing transaction accounts over \$250,000, a decline of 2.9 percent compared with second quarter 2009. These deposit accounts totaled \$923 billion, of which \$761 billion was guaranteed under the TAGP. More than 5,800 FDIC-insured institutions reported non-interest-bearing transaction accounts over \$250,000 in value.

### **Debt Outstanding Represents 50 percent of Total Cap on Issuers' Guaranteed Debt**

The amount of FDIC-guaranteed debt that can be issued by each eligible entity, or its "cap," is based on the amount of its senior unsecured debt outstanding as of September 30, 2008, that matures on or before June 30, 2009. Eligible entities may issue debt up to 125 percent of that outstanding amount. The cap for FDIC-insured institutions that had no outstanding short-term senior unsecured debt other than Fed funds is set at 2 percent of liabilities as of September 30, 2008. Total debt outstanding at quarter-end represented 50 percent of issuing entities' total cap.

### **\$307 Billion in FDIC-Guaranteed Debt Was Outstanding at September 30, 2009**

Eighty-nine financial entities—57 insured depository institutions and 32 bank and thrift holding companies and nonbank affiliates—had \$307 billion in guaranteed debt outstanding at the end of the third quarter. Some banking groups issued FDIC-guaranteed debt at both the subsidiary and holding company level, but most guaranteed debt was issued by holding companies or nonbank affiliates of depository institutions. Bank and thrift holding companies and nonbank affiliates issued 81 percent of FDIC-guaranteed debt outstanding at September 30, 2009.

Debt outstanding at September 30 had longer terms at issuance, compared to debt outstanding at year-end. Slightly more than 2 percent of debt outstanding matures in 180 days or less, compared with 49 percent at year-end; and 75 percent matures more than two years after issuance, compared with 39 percent at December 31, 2008. Among types of debt instruments, 89 percent was in medium-term notes, compared with 44 percent at year-end. The share of outstanding debt in commercial paper fell to 2 percent from 43 percent at year-end.

## Quarterly Banking Profile

**Table I-C. Participation in Temporary Liquidity Guarantee Program**

| September 30, 2009   | Total Eligible Entities | Number Opting In | Percent Opting In |
|--|-------------------------|------------------|-------------------|
| <b>Transaction Account Guarantee Program</b>                       |                         |                  |                   |
| Depository Institutions with Assets <= \$10 Billion .....          | 7,996                   | 6,890            | 86.2%             |
| Depository Institutions with Assets > \$10 Billion .....           | 112                     | 105              | 93.8%             |
| Total Depository Institutions * .....                              | 8,108                   | 6,995            | 86.3%             |
| <b>Debt Guarantee Program</b>                                      |                         |                  |                   |
| Depository Institutions with Assets <= \$10 Billion .....          | 7,996                   | 4,284            | 53.6%             |
| Depository Institutions with Assets > \$10 Billion .....           | 112                     | 104              | 92.9%             |
| Total Depository Institutions * .....                              | 8,108                   | 4,388            | 54.1%             |
| Bank and Thrift Holding Companies and Non-Insured Affiliates ..... | 6,315                   | 3,567            | 56.5%             |
| All Entities .....   | 14,423                  | 7,955            | 55.2%             |

\* Depository institutions include insured branches of foreign banks (IBAs).

**Table II-C. Cap on FDIC-Guaranteed Debt for Opt-In Entities**

| September 30, 2009<br>(dollar figures in millions)              | Opt-In Entities with Senior Unsecured Debt Outstanding at 9/30/2008 |                             |             | Opt-In Depository Institutions with no Senior Unsecured Debt at 9/30/2008 |                                |                |                   |
|---|---|-----------------------------|-------------|---|--------------------------------|----------------|-------------------|
|   | Number  | Debt Amount as of 9/30/2008 | Initial Cap | Number  | 2% Liabilities as of 9/30/2008 | Total Entities | Total Initial Cap |
| Depository Institutions with Assets <= \$10 Billion * .....     | 116   | \$3,532                     | \$4,415     | 4168  | \$32,342                       | 4,284          | \$36,757          |
| Depository Institutions with Assets > \$10 Billion * .....      | 44  | 295,879                     | 369,849     | 60  | 25,576                         | 104            | 395,425           |
| Bank and Thrift Holding Companies, Non-Insured Affiliates ..... | 88  | 398,008                     | 497,511     | 3,479   | N/A                            | 3,567          | 497,511           |
| <b>Total</b> .....  | 248   | 697,420                     | 871,775     | 7,707   | 57,918                         | 7,955          | 929,692           |

\* Depository institutions include insured branches of foreign banks (IBAs).

N/A - Not applicable

**Table III-C. Transaction Account Guarantee Program**

| (dollar figures in millions)   | December 31, 2008 | March 31, 2009 | June 30, 2009 | September 30, 2009 | % Change 09Q2-09Q3 |
|--|-------------------|----------------|---------------|--------------------|--------------------|
| Number of Non-Interest-Bearing Transaction Accounts over \$250,000 ..... | 527,021           | 586,459        | 667,186       | 647,787            | -2.9%              |
| Amount in Non-Interest-Bearing Transaction Accounts over \$250,000 ..... | \$854,379         | \$859,577      | \$907,134     | \$922,881          | 1.7%               |
| Amount Guaranteed .....  | \$722,624         | \$712,962      | \$740,338     | \$760,934          | 2.8%               |

**Table IV-C. Debt Outstanding in Guarantee Program**

| September 30, 2009<br>(dollar figures in millions)              | Number | Debt Outstanding | Cap <sup>1</sup> for Group | Debt Outstanding Share of Cap |
|---|--------|------------------|----------------------------|-------------------------------|
| <b>Insured Depository Institutions</b>                          |        |                  |                            |                               |
| Assets <= \$10 Billion .....                                    | 37     | \$1,631          | \$3,012                    | 54.2%                         |
| Assets > \$10 Billion .....                                     | 20     | 57,356           | 231,965                    | 24.7%                         |
| Bank and Thrift Holding Companies, Non-Insured Affiliates ..... | 32     | 248,194          | 384,606                    | 64.5%                         |
| <b>All Issuers</b> .....  | 89     | 307,181          | 619,583                    | 49.6%                         |

<sup>1</sup> The amount of FDIC-guaranteed debt that can be issued by each eligible entity, or its "cap," is based on the amount of senior unsecured debt outstanding as of September 30, 2008. The cap for a depository institution with no senior unsecured debt outstanding at September 30, 2008, is set at 2 percent of total liabilities. See <http://www2.fdic.gov/qbp/2008dec/tlqp2c.html> for more information.

## Quarterly Banking Profile

**Table V-C. Fees Assessed Under TLGP**

|                              | Debt Guarantee Program |              |                  | Transaction Account Guarantee Program* |
|------------------------------|------------------------|--------------|------------------|--|
|                              | Fees Assessed          | Surcharges   | Total Fee Amount | Fees Collected                         |
| (dollar figures in millions) |                        |              |                  |  |
| Fourth Quarter 2008.....     | \$3,437                |              | \$3,437          |  |
| First Quarter 2009.....      | 3,433                  |              | 3,433            | 90                                     |
| Second Quarter 2009.....     | 1,413                  | 385          | 1,797            | 179                                    |
| Third Quarter 2009.....      | 691                    | 280          | 971              | 182                                    |
| <b>Total.....</b>            | <b>\$8,973</b>         | <b>\$665</b> | <b>\$9,639</b>   | <b>\$450</b>                           |

\*Pro-rated payment in arrears.

**Table VI-C. Term at Issuance of Debt Instruments Outstanding**

| September 30, 2009<br>(dollar figures in millions) | Commercial Paper | Interbank Eurodollar Deposits | Medium Term Notes | Other Interbank Deposits | Other Senior Unsecured Debt | Other Term Notes | All Debt | Share by Term |
|--|------------------|-------------------------------|-------------------|--------------------------|-----------------------------|------------------|----------|---------------|
| <b>Term at Issuance</b>                            |                  |                               |                   |                          |                             |                  |          |               |
| 90 days or less .....                              | \$1,763          | \$43                          | \$0               | \$119                    | \$0                         | \$1              | \$1,926  | 0.6%          |
| 91 - 180 days .....                                | 3,634            | 3                             | 0                 | 972                      | 0                           | 145              | 4,754    | 1.5%          |
| 181 - 364 days .....                               | 408              | 2                             | 3,400             | 1,488                    | 1                           | 1,838            | 7,137    | 2.3%          |
| 1 - 2 years .....                                  | 0                | 3                             | 58,791            | 37                       | 0                           | 4,790            | 63,622   | 20.7%         |
| Over 2 - 3 years .....                             | 0                | 0                             | 76,447            | 0                        | 3,352                       | 5,991            | 85,789   | 27.9%         |
| Over 3 years .....                                 | 1                | 0                             | 133,985           | 4                        | 3,713                       | 6,251            | 143,953  | 46.9%         |
| Total .....  | 5,805            | 52                            | 272,623           | 2,621                    | 7,065                       | 19,017           | 307,181  |               |
| Share of Total .....                               | 1.9%             | 0.0%                          | 88.7%             | 0.9%                     | 2.3%                        | 6.2%             |          |               |

## Notes to Users

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time.

### Tables I-A through VIII-A.

The information presented in Tables I-A through V-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured institutions, both commercial banks and savings institutions. Tables VI-A (Derivatives) and VII-A (Servicing, Securitization, and Asset Sales Activities) aggregate information only for insured commercial banks and state-chartered savings banks that file quarterly Call Reports. Table VIII-A (Trust Services) aggregates Trust asset and income information collected annually from all FDIC-insured institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios, and structural changes, as well as past due, noncurrent, and charge-off information for loans outstanding and other assets.

### Tables I-B through IV-B.

A separate set of tables (Tables I-B through IV-B) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

## DATA SOURCES

The financial information appearing in this publication is obtained primarily from the Federal Financial Institutions Examination Council (FFIEC) *Consolidated Reports of Condition and Income (Call Reports)* and the OTS *Thrift Financial Reports* submitted by all FDIC-insured depository institutions. This information is stored on and retrieved from the FDIC's Research Information System (RIS) data base.

## COMPUTATION METHODOLOGY

Parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data. Additionally, certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*.

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates

represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state. In addition, institutions may relocate across state lines or change their charters, resulting in an inter-regional or inter-industry migration, e.g., institutions can move their home offices between regions, and savings institutions can convert to commercial banks or commercial banks may convert to savings institutions.

## ACCOUNTING CHANGES

### Other-Than-Temporary Impairment

When the fair value of an investment in a debt or equity security is less than its cost basis, the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, an institution must apply other pertinent guidance such as paragraph 16 of FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*; FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*; FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*; paragraph 6 of Accounting Principles Board Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock*; Emerging Issues Task Force (EITF) Issue No. 99-20, *Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets*; and FSP EITF 99-20-1, *Amendments to the Impairment Guidance of EITF Issue No. 99-20*.

Under FSP FAS 115-2 and FAS 124-2 issued on April 9, 2009, if the present value of cash flows expected to be collected on a debt security is less than its amortized cost basis, a credit loss exists. In this situation, if an institution does not intend to sell the security and it is not more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis less any current-period credit loss, an other-than-temporary impairment has occurred. The amount of the total other-than-temporary impairment related to the credit loss must be recognized in earnings, but the amount of the total impairment related to other factors must be recognized in other comprehensive income, net of applicable taxes. Although the debt security would be written down to its fair value, its new amortized cost basis is the previous amortized cost basis less the other-than-temporary impairment recognized in earnings. In addition, if an institution intends to sell a debt security whose fair value is less than its amortized costs basis or it is more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis, an other-than-temporary impairment has occurred and the entire difference between the security's amortized cost basis and its fair value must be recognized in earnings.

For any debt security held at the beginning of the interim period in which FSP FAS 115-2 and FAS 124-2 is adopted for which an other-than-temporary impairment loss has been previously recognized, if an institution does not intend to sell such a debt security and it is not more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis, the institution should recognize the cumulative effect of initially applying the FSP as an adjustment to the interim period's opening balance of retained earnings, net of applicable taxes, with



a corresponding adjustment to accumulated other comprehensive income. The cumulative effect on retained earnings must be calculated by comparing the present value of the cash flows expected to be collected on the debt security with the security's amortized cost basis as of the beginning of the interim period of adoption.

FSP FAS 115-2 and FAS 124-2 are effective for interim and annual reporting periods ending after June 15, 2009. Early adoption of this FSP is permitted for periods ending after March 15, 2009, if certain conditions are met. Institutions are expected to adopt FSP FAS 115-2 and 124-2 for regulatory reporting purposes in accordance with the FSP's effective date.

### **Extended Net Operating Loss Carryback Period for Small Businesses**

The American Recovery and Reinvestment Act of 2009, which was enacted on February 17, 2009, permits qualifying small businesses, including FDIC-insured institutions, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any tax year ending in 2008 or, at the small business's election, any tax year beginning in 2008. Under generally accepted accounting principles, institutions may not record the effect of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the first quarter of 2009.

### **Business Combinations and Noncontrolling (Minority) Interests**

In December 2007, the FASB issued Statement No. 141 (Revised), *Business Combinations* (FAS 141(R)), and Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (FAS 160). Under FAS 141(R), all business combinations, including combinations of mutual entities, are to be accounted for by applying the acquisition method. FAS 160 defines a noncontrolling interest, also called a minority interest, as the portion of equity in an institution's subsidiary not attributable, directly or indirectly, to the parent institution. FAS 160 requires an institution to clearly present in its consolidated financial statements the equity ownership in and results of its subsidiaries that are attributable to the noncontrolling ownership interests in these subsidiaries. FAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Similarly, FAS 160 is effective for fiscal years beginning on or after December 15, 2008. Thus, for institutions with calendar year fiscal years, these two accounting standards take effect in 2009. Beginning in March 2009, Institution equity capital and Noncontrolling interests are separately reported in arriving at Total equity capital.

**FASB Statement No. 157 Fair Value Measurements issued in September 2006 and FASB Statement No. 159 The Fair Value Option for Financial Assets and Financial Liabilities issued in February 2007** – both are effective in 2008 with early adoption permitted in 2007. FAS 157 defines fair value and establishes a framework for developing fair value estimates for the fair value measurements that are already required or permitted under other standards. FASB FSP 157-4, issued in April 2009, provides additional guidance for estimating fair value in accordance with FAS 157 when the volume and level of activity for the asset or liability have significantly decreased. The FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. The FSP is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009.

Fair value continues to be used for derivatives, trading securities, and available-for-sale securities. Changes in fair value go through earnings for trading securities and most derivatives. Changes in the fair value of available-for-sale securities are reported in other comprehensive income. Available-for-sale securities and held-to-maturity debt securities are written down to fair value if impairment is other than temporary and loans held for sale are reported at the lower of cost or fair value.

FAS 159 allows institutions to report certain financial assets and liabilities at fair value with subsequent changes in fair value included in earnings. In general, an institution may elect the fair value option for an eligible financial asset or liability when it first recognizes the instrument on its balance sheet or enters into an eligible firm commitment.

### **FASB Statement No. 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans**

– issued in September 2006 requires a bank to recognize in 2007, and subsequently, the funded status of its postretirement plans on its balance sheet. An overfunded plan is recognized as an asset and an underfunded plan is recognized as a liability. An adjustment is made to equity as accumulated other comprehensive income (AOCI) upon application of FAS 158, and AOCI is adjusted in subsequent periods as net periodic benefit costs are recognized in earnings.

### **FASB Statement No. 156 Accounting for Servicing of Financial Assets**

– issued in March 2006 and effective in 2007, requires all separately recognized servicing assets and liabilities to be initially measured at fair value and allows a bank the option to subsequently adjust that value by periodic revaluation and recognition of earnings or by periodic amortization to earnings.

### **FASB Statement No. 155 Accounting for Certain Hybrid Financial Instruments**

– issued in February 2006, requires bifurcation of certain derivatives embedded in interests in securitized financial assets and permits fair value measurement (i.e., a fair value option) for any hybrid financial instrument that contains an embedded derivative that would otherwise require bifurcation under FASB Statement No. 133,

(FAS 133). In addition, FAS 155 clarifies which interest-only and principal-only strips are not subject to FAS 133.

**Purchased Impaired Loans and Debt Securities** – Statement of Position 03-3, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*. The SOP applies to loans and debt securities acquired in fiscal years beginning after December 15, 2004. In general, this Statement of Position applies to “purchased impaired loans and debt securities” (i.e., loans and debt securities that a bank has purchased, including those acquired in a purchase business combination, when it is probable, at the purchase date, that the bank will be unable to collect all contractually required payments receivable). Banks must follow Statement of Position 03-3 for Call Report purposes. The SOP does not apply to the loans that a bank has originated, prohibits “carrying over” or creation of valuation allowances in the initial accounting, and any subsequent valuation allowances reflect only those losses incurred by the investor after acquisition.

**GNMA Buy-back Option** – If an issuer of GNMA securities has the option to buy back the loans that collateralize the GNMA securities, when certain delinquency criteria are met, FASB Statement No. 140 requires that loans with this buy-back option must be brought back on the issuer's books as assets. The rebooking of GNMA loans is required regardless of whether the issuer intends to exercise the buy-back option. The banking agencies clarified in May 2005 that all GNMA loans that are rebooked because of delinquency should be reported as



past due according to their contractual terms.

**FASB Interpretation No. 46** – The FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, in January 2003 and revised it in December 2003. Generally, banks with variable interests in variable interest entities created after December 31, 2003, must consolidate them. The timing of consolidation varies with certain situations with application as late as 2005. The assets and liabilities of a consolidated variable interest entity are reported on a line-by-line basis according to the asset and liability categories shown on the bank's balance sheet, as well as related income items. Most small banks are unlikely to have any "variable interests" in variable interest entities.

**FASB Interpretation No. 48 on Uncertain Tax Positions** – FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), was issued in June 2006 as an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. Under FIN 48, the term "tax position" refers to "a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities." FIN 48 further states that a "tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets." FIN 48 was originally issued effective for fiscal years beginning after December 15, 2006. Banks must adopt FIN 48 for Call Report purposes in accordance with the interpretation's effective date except as follows. On December 31, 2008, the FASB decided to defer the effective date of FIN 48 for eligible nonpublic enterprises and to require those enterprises to adopt FIN 48 for annual periods beginning after December 15, 2008. A nonpublic enterprise under certain conditions is eligible for deferral, even if it opted to issue interim or quarterly financial information in 2007 under earlier guidance that reflected the adoption of FIN 48.

**FASB Statement No. 123 (Revised 2004) and Share-Based Payments** - refer to previously published Quarterly Banking Profile notes: <http://www2.fdic.gov/qbp/2008dec/qbpnot.html>

**FASB Statement No. 133 Accounting for Derivative Instruments and Hedging Activities** - refer to previously published Quarterly Banking Profile notes: <http://www2.fdic.gov/qbp/2008dec/qbpnot.html>

## DEFINITIONS (in alphabetical order)

**All other assets** – total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, fair market value of derivatives, and other assets.

**All other liabilities** – bank's liability on acceptances, limited-life preferred stock, allowance for estimated off-balance-sheet credit losses, fair market value of derivatives, and other liabilities.

**Assessment base** – assessable deposits consist of DIF deposits (deposits insured by the FDIC Deposit Insurance Fund) in banks' domestic offices with certain adjustments).

**Assets securitized and sold** – total outstanding principal balance of assets securitized and sold with servicing retained or other seller-provided credit enhancements.

**Capital Purchase Program (CPP)** – As announced in October 2008 under the TARP, the Treasury Department purchase of noncumulative perpetual preferred stock and related warrants that is treated as Tier 1 capital for regulatory capital purposes is included in

"Total equity capital." Such warrants to purchase common stock or noncumulative preferred stock issued by publicly-traded banks are reflected as well in "Surplus." Warrants to purchase common stock or noncumulative preferred stock of not-publicly-traded bank stock classified in a bank's balance sheet as "Other liabilities."

**Construction and development loans** – includes loans for all property types under construction, as well as loans for land acquisition and development.

**Core capital** – common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

**Cost of funding earning assets** – total interest expense paid on deposits and other borrowed money as a percentage of average earning assets.

**Credit enhancements** – techniques whereby a company attempts to reduce the credit risk of its obligations. Credit enhancement may be provided by a third party (external credit enhancement) or by the originator (internal credit enhancement), and more than one type of enhancement may be associated with a given issuance.

**Deposit Insurance Fund (DIF)** – The Bank (BIF) and Savings Association (SAIF) Insurance Funds were merged in 2006 by the Federal Deposit Insurance Reform Act to form the DIF.

**Derivatives notional amount** – The notional, or contractual, amounts of derivatives represent the level of involvement in the types of derivatives transactions and are not a quantification of market risk or credit risk. Notional amounts represent the amounts used to calculate contractual cash flows to be exchanged.

**Derivatives credit equivalent amount** – the fair value of the derivative plus an additional amount for potential future credit exposure based on the notional amount, the remaining maturity and type of the contract.

## Derivatives transaction types:

**Futures and forward contracts** – contracts in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (traditional agricultural or physical commodities, as well as currencies and interest rates). Futures contracts are standardized and are traded on organized exchanges which set limits on counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

**Option contracts** – contracts in which the buyer acquires the right to buy from or sell to another party some specified amount of an underlying variable or index at a stated price (strike price) during a period or on a specified future date, in return for compensation (such as a fee or premium). The seller is obligated to purchase or sell the variable or index at the discretion of the buyer of the contract.

**Swaps** – obligations between two parties to exchange a series of cash flows at periodic intervals (settlement dates), for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity (notional principal) of the underlying variable or index by specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

**Derivatives underlying risk exposure** – the potential exposure characterized by the level of banks' concentration in particular underlying instruments, in general. Exposure can result from market

risk, credit risk, and operational risk, as well as, interest rate risk.

**Domestic deposits to total assets** – total domestic office deposits as a percent of total assets on a consolidated basis.

**Earning assets** – all loans and other investments that earn interest or dividend income.

**Efficiency ratio** – Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

**Estimated insured deposits** – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Beginning March 31, 2008, for institutions that file Call reports, insured deposits are total assessable deposits minus estimated uninsured deposits. Beginning September 30, 2009, insured deposits include deposits in accounts of \$100,000 to \$250,000 that are covered by a temporary increase in the standard maximum FDIC deposit insurance amount.

**Failed/assisted institutions** – an institution fails when regulators take control of the institution, placing the assets and liabilities into a bridge bank, conservatorship, receivership, or another healthy institution. This action may require the FDIC to provide funds to cover losses. An institution is defined as “assisted” when the institution remains open and receives assistance in order to continue operating.

**Fair Value** – the valuation of various assets and liabilities on the balance sheet—including trading assets and liabilities, available-for-sale securities, loans held for sale, assets and liabilities accounted for under the fair value option, and foreclosed assets—involves the use of fair values. During periods of market stress, the fair values of some financial instruments and nonfinancial assets may decline.

**FHLB advances** – all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB), as reported by Call Report filers and by TFR filers.

**Goodwill and other intangibles** – intangible assets include servicing rights, purchased credit card relationships, and other identifiable intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired, less subsequent impairment adjustments. Other intangible assets are recorded at fair value, less subsequent quarterly amortization and impairment adjustments.

**Loans secured by real estate** – includes home equity loans, junior liens secured by 1-4 family residential properties, and all other loans secured by real estate.

**Loans to individuals** – includes outstanding credit card balances and other secured and unsecured consumer loans.

**Long-term assets (5+ years)** – loans and debt securities with remaining maturities or repricing intervals of over five years.

**Maximum credit exposure** – the maximum contractual credit exposure remaining under recourse arrangements and other seller-provided credit enhancements provided by the reporting bank to securitizations.

**Mortgage-backed securities** – certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Also, see “Securities,” below.

**Net charge-offs** – total loans and leases charged off (removed from balance sheet because of uncollectibility), less amounts recovered on loans and leases previously charged off.

**Net interest margin** – the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets. No adjustments are made for interest income that is tax exempt.

**Net loans to total assets** – loans and lease financing receivables, net of unearned income, allowance and reserves, as a percent of total assets on a consolidated basis.

**Net operating income** – income excluding discretionary transactions such as gains (or losses) on the sale of investment securities and extraordinary items. Income taxes subtracted from operating income have been adjusted to exclude the portion applicable to securities gains (or losses).

**Noncurrent assets** – the sum of loans, leases, debt securities, and other assets that are 90 days or more past due, or in nonaccrual status.

**Noncurrent loans & leases** – the sum of loans and leases 90 days or more past due, and loans and leases in nonaccrual status.

**Number of institutions reporting** – the number of institutions that actually filed a financial report.

**Other borrowed funds** – federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, FHLB advances, other borrowed money, mortgage indebtedness, obligations under capitalized leases and trading liabilities, less revaluation losses on assets held in trading accounts.

**Other real estate owned** – primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances. For institutions that file a Thrift Financial Report (TFR), the valuation allowance subtracted also includes allowances for other repossessed assets. Also, for TFR filers the components of other real estate owned are reported gross of valuation allowances.

**Percent of institutions with earnings gains** – the percent of institutions that increased their net income (or decreased their losses) compared to the same period a year earlier.

**“Problem” institutions** – federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. “Problem” institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5.” The number and assets of “problem” institutions are based on FDIC composite ratings. Prior to March 31, 2008, for institutions whose primary federal regulator was the OTS, the OTS composite rating was used.

**Recourse** – an arrangement in which a bank retains, in form or in substance, any credit risk directly or indirectly associated with an asset it has sold (in accordance with generally accepted accounting principles) that exceeds a pro rata share of the bank’s claim on the asset. If a bank has no claim on an asset it has sold, then the retention of any credit risk is recourse.

**Reserves for losses** – the allowance for loan and lease losses on a consolidated basis.

**Restructured loans and leases** – loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

**Retained earnings** – net income less cash dividends on common and preferred stock for the reporting period.

**Return on assets** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total assets. The basic yardstick of bank profitability.

**Return on equity** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

**Risk-based capital groups** – definition:

| (Percent)                      | Total Risk-Based Capital * | Tier 1 Risk-Based Capital * | Tier 1 Leverage | Tangible Equity |
|--------------------------------|----------------------------|-----------------------------|-----------------|-----------------|
| Well-capitalized               | ≥10                        | and ≥6                      | and ≥5          | –               |
| Adequately capitalized         | ≥8                         | and ≥4                      | and ≥4          | –               |
| Undercapitalized               | ≥6                         | and ≥3                      | and ≥3          | –               |
| Significantly undercapitalized | <6                         | or <3                       | or <3           | and >2          |
| Critically undercapitalized    | –                          | –                           | –               | ≤2              |

\*As a percentage of risk-weighted assets.

**Risk Categories and Assessment Rate Schedule** – The current risk categories became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. The following table shows the relationship of risk categories (I, II, III, IV) to capital and supervisory groups as well as the initial base assessment rates (in basis points), effective April 1, 2009 for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

| Capital Category          | Supervisory Group |              |               |
|---------------------------|-------------------|--------------|---------------|
|                           | A                 | B            | C             |
| 1. Well Capitalized       | I<br>12 – 16 bps  | II<br>22 bps | III<br>32 bps |
| 2. Adequately Capitalized | II<br>22 bps      |              |               |
| 3. Undercapitalized       | III<br>32 bps     |              | IV<br>45 bps  |

Effective April 1, 2009, the initial base assessment rates are 12 to 45 basis points. An institution's total assessment rate may be less than or greater than its initial base assessment rate as a result of additional risk adjustments.

The base assessment rates for most institutions in Risk Category I are based on a combination of financial ratios and CAMELS component ratings (the financial ratios method).

For large institutions in Risk Category I (generally those with at least \$10 billion in assets) that have long-term debt issuer ratings, assessment rates are determined by equally weighting the institution's CAMELS component ratings, long-term debt issuer ratings, and the financial ratios method assessment rate. For all large Risk Category I institutions, additional risk factors are considered to determine whether assessment rates should be adjusted. This additional information includes market data, financial performance measures, considerations of the ability of an institution to withstand financial stress, and loss severity indicators. Any adjustment is limited to no

more than one basis point.

Effective April 1, 2009, the FDIC introduced three possible adjustments to an institution's initial base assessment rate: (1) a decrease of up to 5 basis points for long-term unsecured debt and, for small institutions, a portion of Tier 1 capital; (2) an increase not to exceed 50 percent of an institution's assessment rate before the increase for secured liabilities in excess of 25 percent of domestic deposits; and (3) for non-Risk Category I institutions, an increase not to exceed 10 basis points for brokered deposits in excess of 10 percent of domestic deposits. After applying all possible adjustments, minimum and maximum total base assessment rates for each risk category are as follows:

| Total Base Assessment Rates*  |                 |                  |                   |                  |
|---|-----------------|------------------|-------------------|------------------|
|   | Risk Category I | Risk Category II | Risk Category III | Risk Category IV |
| <b>Initial base assessment rate</b>   | <b>12 – 16</b>  | <b>22</b>        | <b>32</b>         | <b>45</b>        |
| <b>Unsecured debt adjustment</b>  | <b>-5 – 0</b>   | <b>-5 – 0</b>    | <b>-5 – 0</b>     | <b>-5 – 0</b>    |
| <b>Secured liability adjustment</b>   | <b>0 – 8</b>    | <b>0 – 11</b>    | <b>0 – 16</b>     | <b>0 – 22.5</b>  |
| <b>Brokered deposit adjustment</b>  | <b>–</b>        | <b>0 – 10</b>    | <b>0 – 10</b>     | <b>0 – 10</b>    |
| <b>Total base assessment rate</b>   | <b>7 – 24.0</b> | <b>17 – 43.0</b> | <b>27 – 58.0</b>  | <b>40 – 77.5</b> |
| *All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates. |                 |                  |                   |                  |

Beginning in 2007, each institution is assigned a risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment is generally due on the 30th day of the last month of the quarter following the assessment period. Supervisory rating changes are effective for assessment purposes as of the examination transmittal date. For institutions with long-term debt issuer ratings, changes in ratings are effective for assessment purposes as of the date the change was announced.

**Special Assessment** – On May 22, 2009, the FDIC board approved a final rule that imposed a 5 basis point special assessment as of June 30, 2009. The special assessment was levied on each insured depository institution's assets minus its Tier 1 capital as reported in its report of condition as of June 30, 2009. The special assessment will be collected September 30, 2009, at the same time that the risk-based assessment for the second quarter of 2009 is collected. The special assessment for any institution was capped at 10 basis points of the institution's assessment base for the second quarter of 2009 risk-based assessment.

**Risk-weighted assets** – assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range from zero to 200 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

**Securities** – excludes securities held in trading accounts. Banks'

securities portfolios consist of securities designated as “held-to-maturity,” which are reported at amortized cost (book value), and securities designated as “available-for-sale,” reported at fair (market) value.

**Securities gains (losses)** – realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. Thrift Financial Report (TFR) filers also include gains (losses) on the sales of assets held for sale.

**Seller’s interest in institution’s own securitizations** – the reporting bank’s ownership interest in loans and other assets that have been securitized, except an interest that is a form of recourse or other seller-provided credit enhancement. Seller’s interests differ from the securities issued to investors by the securitization structure. The principal amount of a seller’s interest is generally equal to the total principal amount of the pool of assets included in the securitization structure less the principal amount of those assets attributable to investors, i.e., in the form of securities issued to investors.

**Subchapter S Corporation** – a Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. This can have the effect of reducing institutions’ reported taxes and increasing their after-tax earnings.

**Temporary Liquidity Guarantee Program (TLGP)** – was approved by the FDIC Board on October 13, 2008. The TLGP was designed to help relieve the crisis in the credit markets by giving banks access to liquidity during a time of global financial distress. Participation in the TLGP is voluntary. The TLGP has two components:

**Transaction Account Guarantee Program (TAGP)** provides a full guarantee of non-interest-bearing deposit transaction accounts above \$250,000, at depository institutions that elected to participate in the program. On August 26, 2009, the FDIC Board voted to extend the TAGP six months beyond its original expiration date to June 30, 2010.

**Debt Guarantee Program (DGP)** provides a full guarantee of senior unsecured debt<sup>1</sup> issued by eligible institutions after October 14, 2008. Initially, debt issued before June 30, 2009, and maturing on or before June 30, 2012, could be guaranteed. On March 17, 2009, the deadline for issuance under the program was extended to October 31, 2009, and the expiration of the guarantee was set at the earlier of maturity of the debt or December 31, 2012. Institutions eligible for participation in the debt guarantee program include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of an insured depository institution that the FDIC designates as eligible entities. The FDIC Board adopted a final rule on October 20, 2009, that established a limited six-month emergency guarantee facility upon expiration of the DGP.

**Trust assets** – market value, or other reasonably available value of fiduciary and related assets, to include marketable securities, and other financial and physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods. Such fiduciary assets are not included in the assets of the financial institution.

**Unearned income & contra accounts** – unearned income for Call

Report filers only.

**Unused loan commitments** – includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans. (Excluded are commitments after June 2003 for originated mortgage loans held for sale, which are accounted for as derivatives on the balance sheet.)

**Volatile liabilities** – the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings.

**Yield on earning assets** – total interest, dividend, and fee income earned on loans and investments as a percentage of average earning assets.

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<sup>1</sup> Senior unsecured debt generally includes term Federal funds purchased, promissory notes, commercial paper, unsubordinated unsecured notes, certificates of deposit (CDs) standing to the credit of a bank, and U.S. dollar denominated bank deposits owed to an insured depository institution.